



DATE: July 24, 2018

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT Resolution to Authorize the City Manager, on Behalf of the Hayward Area Shoreline Planning Agency (HASPA), to Accept an Adaptation Planning Grant from the California Department of Transportation (Caltrans) for \$509,000, and to Negotiate and Execute a Memorandum of Understanding with the Hayward Area Recreation and Park District (HARD) and East Bay Regional Park District (EBRPD), to Complete the Hayward Regional Shoreline Master Plan.

RECOMMENDATION

That the City Council adopts a resolution authorizing the City Manager to accept an Adaptation Planning Grant from Caltrans for \$509,000 (Attachment II), and to negotiate and execute a Memorandum of Understanding with HARD and EBRPD, to complete the Hayward Regional Shoreline Master Plan.

SUMMARY

The Development Services Department is requesting that the City Council adopt a resolution to authorize the City Manager, on behalf of HASPA, to accept an Adaptation Planning Grant from Caltrans for \$509,000, and to negotiate and execute a Memorandum of Understanding with HARD and EBRPD, to complete the Hayward Regional Shoreline Master Plan. HASPA proposes to meet the 11.47 percent local match requirement through in-kind-services totaling \$175,000 in value. In-kind-services would consist of staff time only to manage the completion of the project.

The Hayward Regional Shoreline Master Plan will provide a suite of mitigation actions and policy recommendations to improve the City’s capacity to plan for, prepare for, mitigate against, and adapt to sea level rise. The project will focus on protecting the City’s most important natural and community assets.

BACKGROUND

On April 28, 2017, Governor Edmund G. Brown Jr. signed into law Senate Bill 1 (SB 1), The Road Repair and Accountability Act of 2017, a transportation funding bill that provides a source of funds to maintain and integrate California’s multimodal transportation system. The bill includes \$20 million in climate change adaptation planning grants allocated to local and regional agencies for adaptation planning. This funding is intended to advance adaptation

planning on California's transportation infrastructure, including but not limited to roads, railways, bikeways, trails, and bridges.

HASPA, a joint powers authority consisting of the City, HARD, and EBRPD, was established in 1970. The primary purpose of HASPA is to coordinate agency planning activities and adopt and implement policies for the improvement of the Hayward Regional Shoreline for future generations. HASPA's focus has shifted from the shoreline preservation achieved over the past five decades to mitigating the effects of sea level rise on the City's natural, recreational, and man-made resources. HASPA has already had two vulnerability assessments completed for the shoreline, which identified vulnerable assets and potential adaptation strategies. The *Preliminary Study of the Effect of Sea Level Rise on the Resources of the Hayward Shoreline*, which outlines four long-term adaptation strategies to protect critical assets, was completed in 2010. The *Hayward Resilience Study*, which was an extension of the Adapting to Rising Tides Project led by the San Francisco Bay Conservation and Development Commission (BCDC), was completed in 2014. Both studies can be accessed on the City's [Sea Level Rise webpage](#). The Hayward Regional Shoreline Master Plan will build off these past studies to identify specific adaptation strategies, policies, and projects to protect identified vulnerable assets.

HASPA submitted an application to Caltrans for the Adaptation Planning Grant on February 23, 2018 requesting \$509,000 (Attachment III). Caltrans conditionally awarded a grant to HASPA for the full requested amount on May 11, 2018 (Attachment IV).

Council Sustainability Committee - The Council Sustainability Committee considered a [staff report](#) about the Caltrans grant and the Shoreline Master Plan on July 16, 2018. The Council Sustainability Committee recommended that the City Council adopt the resolution to accept the Caltrans grant and Memorandum of Understanding to complete the Shoreline Master Plan.

DISCUSSION

Staff believes that this grant affords the City an opportunity to take a proactive, thoughtful and collaborative approach to protect the City from the potential impacts of future sea level rise. If awarded, the grant would lessen the financial burden on the City to hire a consulting firm to perform technical analysis and prepare an adaptation plan, and would position the City as an early leader of adaptation planning in the Bay Area.

Hayward Regional Shoreline Master Plan. As mentioned earlier, the Hayward Regional Shoreline Master Plan will provide a suite of mitigation actions and policy recommendations to improve the City's capacity to plan for, prepare for, mitigate against, and adapt to sea level rise. The project will protect natural and community assets, including wetlands and natural habitat along the Hayward Regional Shoreline, State Route 92 (SR 92), the San Francisco Bay Trail, and the adjacent City's Industrial Technology and Innovation Corridor. Additional information regarding the project components, timeline, and cost is provided in the grant application (Attachment III).

Co-Benefits. The project will provide several co-benefits to the City related to public health, natural ecosystems, air quality, social equity, and local and regional economy.

- *Public Health:* The project will protect the City's Water Pollution Control Facility, which may experience flooding to emergency storage ponds and impacts to equipment or infrastructure, which could impact water quality.
- *Natural Ecosystems:* If effective adaptation strategies are not taken, important natural assets along the shoreline will be vulnerable to inundation. Wetlands provide habitat for the Salt Marsh Harvest Mouse, Western Snowy Plovers, California Clapper Rail, and other shorebirds. The project will evaluate habitat restoration as one of the actions required to increase the resilience of the natural habitats along the shoreline.
- *Air Quality:* The project will protect the San Francisco Bay Trail and promote active modes of transportation, which will reduce vehicle miles traveled and improve the air quality in the City and surrounding areas.
- *Social Equity:* The shoreline provides employment and recreational opportunities to economically disadvantaged communities. The project will ensure that the shoreline continues to be accessible to these communities and buffer them from direct sea level rise impacts. The City will also engage these communities throughout the development of the project.
- *Local and Regional Economy:* The shoreline and San Francisco Bay Trail provide an estimated \$490,000 in annual revenue to the local and regional economy. The Hayward Shoreline Interpretive Center generates more than \$60,000 in annual revenue for HARD. If these assets aren't protected, this revenue would be diminished or lost. Furthermore, the shoreline will protect the City's Industrial Technology and Innovation Corridor, which is vulnerable to sea level rise and would experience significant economic hardship if resilience along the Shoreline is not improved.

General Plan. The *Hayward 2040 General Plan* provides the following policy requiring the City to coordinate with HASPA and other agencies to develop and implement the Hayward Regional Shoreline Master Plan.

Hazards Policy 4.3 (Shoreline Realignment Master Plan): *The City shall coordinate with the Hayward Area Shoreline Planning Agency, the Bay Conservation Development Commission, and other agencies involved in the Adapting to Rising Tides Project to develop and implement a Regional Shore Realignment Master Plan. The Master Plan shall identify:*

- *A preferred long-term strategy and implementation program to protect the regional shoreline.*
- *Interim standards to regulate development within potentially affected areas if sea levels rise prior to the construction of shoreline protection projects.*
- *Potential flood mitigation measures to apply to development projects within potentially affected areas.*

The project would also support the following General Plan policies in that it would protect resources along the shoreline, migratory bird habitat, and existing views of the bay. The project would also allow the City to better assess and address potential flooding hazards and help ensure that new development nearby is sensitive to the shoreline.

- Natural Resources Policy 1.4 (Shoreline Protection and Enhancement): *The City shall coordinate with the Hayward Area Shoreline Planning Agency, Bay Conservation and Development Commission, and California Coastal Commission to conserve, protect, and enhance natural and cultural resources along the San Francisco Bay shoreline by balancing uses that support multiple community needs, such as recreation, tourism, cultural resource preservation, and natural resource protection.*
- Natural Resources Policy 1.6 (Migratory Bird Habitat Protection): *The City shall support the efforts of the Hayward Area Shoreline Planning Agency and other agencies to preserve and protect tidal flats and salt ponds with low salinity for migratory waterfowl that depend on these areas.*
- Natural Resources Policy 8.4 (Shoreline Views Protection): *The City shall maintain and implement residential and non-residential design guidelines to protect existing views of the Bay shoreline.*
- Hazards Policy 4.1 (Monitor Rising Sea Level): *The City shall monitor information from regional, State, and Federal agencies on rising sea levels in the San Francisco Bay to determine if additional adaptation strategies should be implemented to address flooding hazards.*
- Community Health and Quality of Life Policy 11.5 (Hayward Regional Shoreline Access): *The City shall require, as appropriate, the dedication of public access easements through new developments along the Hayward Regional Shoreline.*

Grant Management Policy (A.R. 3.6) – Effective October 12, 2017

To meet the quick turnaround for the grant application deadline and ensure that the City along with its partnering agencies did not miss out on the opportunity to complete an important project, staff could not submit the grant application to the Grant Administrative Oversight Committee’s review prior to submitting the application to Caltrans. As such, Finance Department staff determined that it was appropriate to proceed with submitting the grant application to Caltrans.

FISCAL IMPACT

The impact of accepting this grant to the General Fund will come in the form of staff time to manage the project. The grant requires a local match, which can take the form of in-kind contributions. Staff proposes a match through in-kind-services to meet the required contribution of \$175,000 through review and preparation of the Hayward Regional Shoreline Master Plan, preparation of necessary legislative documents, public outreach, processing invoices and preparation of quarterly reports. This burden will be shared by all participating agencies and an estimation of the total in-kind-services to be provided by all three-member agencies is below:

- 1) Project Initiation: \$45,000

2)	Update Sea Level Rise Modeling and Mapping:	\$5,500
3)	Public Outreach:	\$5,500
4)	Develop Adaptation Responses:	\$35,000
5)	Draft Shoreline Master Plan and Maps:	\$61,000
6)	HASPA Adoption of Final Plan:	\$9,000
7)	Fiscal Management:	\$14,000
	TOTAL:	<u>\$175,000</u>

Additionally, a California Environmental Quality Act (CEQA) environmental analysis may be required for the plan as part of this project or on a project-specific basis for implementation of the plan. Staff and the HASPA Board of Trustees, will determine if a CEQA document is required for this project after preparation of the plan. If a CEQA environmental review is required staff estimates that the cost to complete this analysis at approximately \$240,000. These costs are not currently included in the City’s Operating or Capital Budgets for the current or future fiscal years. Additionally, a total of \$60,000 in in-kind-services for staff to manage the CEQA process would be required. CEQA analysis is not an eligible expense for the use of grant funds; as such, if required the cost would be shared equally by the three member agencies and is estimated at approximately \$80,000 per agency. The CEQA process would start in Fiscal Year 2019-2020 and end in Fiscal Year 2020-2021.

STRATEGIC INITIATIVES

The Hayward Regional Shoreline Master Plan would support the City’s Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support services and amenities that provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goals and objectives:

- Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.
- Objective 4: Create resilient and sustainable neighborhoods.
- Goal 2: Develop a regulatory toolkit for policy makers.
- Objective 1: Update, streamline, and modernize zoning and codes.
- Objective 3: Develop and refine other regulatory tools.

This project would improve the economic and environmental resilience of industrial properties and residential neighborhoods near the Hayward Regional Shoreline and protect important natural and recreational resources into the future for public enjoyment. Furthermore, the project will include land use policies and updates to zoning regulations as one of the implementation tools to better protect the shoreline area and businesses from the adverse impacts of sea level rise.

NEXT STEPS

Upon Council approval, HASPA may adopt a resolution at the next HASPA Board of Trustees meeting on August 2, 2018 to accept the grant and approve the memorandum of understanding between the member agencies to collectively manage the project. Staff will then proceed with issuing a request for proposals to hire a consultant in October 2018 to prepare the Hayward Regional Shoreline Master Plan. A summary of the grant timeline is provided in the table below:

Grant Application Deadline:	February 23, 2018, 5:00 p.m.
Award Notice:	May 11, 2018
Local Resolution Deadline:	August 15, 2018
Begin Project:	October 2018
All Work Completed by:	February 2021

Prepared by: Jay Lee, Associate Planner

Recommended by: Laura Simpson, Director of Development Services

Approved by:



Kelly McAdoo, City Manager