



DATE: February 28, 2023

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT Adopt a Resolution Authorizing the City Manager to Accept Up to 1.5 Million Dollars in Revenue from Bay Area Rapid Transit as the Fiscal Agent for the South Hayward Bay Area Rapid Transit Station Access Authority

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to accept and appropriate up to 1.5 million dollars from Bay Area Rapid Transit (BART) to Fund 295 in revenue as the Fiscal Agent for the South Hayward Bay Area Rapid Transit Station Access Authority.

SUMMARY

On November 15, 2022, Council adopted a resolution to dissolve the South Hayward Bay Area Rapid Transit Station Access Authority. As part of finalizing the dissolution, staff has been working with BART staff to reconcile past revenues and costs associated with the South Hayward BART Station Access Authority's fund balance (Fund 295). Staff is seeking Council authorization to accept revenues to settle the Authority's accounts and finalize its dissolution.

BACKGROUND AND DISCUSSION

The South Hayward BART Station Access Authority, also known as the South Hayward Joint Powers Authority (JPA), or Authority, composed of two City of Hayward Councilmembers and two BART Board Directors, was formed on September 1, 2011, in anticipation of transit-oriented development (TOD), to address parking and access issues at the South Hayward BART station (Station), support equitable access to the station, further TOD, and protect the City's neighborhoods from the effects of overflow parking. Due to the development of BART's East Lot with housing, the City allowed on-street parking spaces near the station to be used exclusively for BART riders during parking enforcement hours and the JPA created a paid parking program, where revenues would be dedicated to station area improvements.

Since its formation, the Authority has managed these on-street spaces, overseen parking revenues, and constructed access improvements for the station with the City of Hayward

acting as the Authority's fiscal agent and City staff working with BART staff to manage the Authority's fund accounts.

On June 29, 2021, the Authority directed staff to hire a consultant to study the future of the JPA, including how to ensure financial stability and meet its original goals of balancing resident and BART rider parking.¹ The study found that BART rider parking demand would not exceed the existing supply until another transit-oriented development project breaks ground, which, at the earliest, would occur in the mid-term (2025-2030). The study also found that the JPA structure was administratively burdensome and financially unsustainable. For these reasons, the study recommended replacing the current Authority with a simplified intergovernmental agreement (IGA) that outlines roles and responsibilities for each government entity to retain policymaker oversight and public engagement pertaining to parking and access around the station.

On November 15 and December 1, 2022, both the City of Hayward's Council and the BART Board approved and authorized the dissolution of the Authority and execution of an IGA, respectively.² On December 7, 2022, the South Hayward BART Station Access Authority authorized the dissolution of the Authority and directed staff to execute the close-out affairs of the Authority in a manner consistent with the budget.³

To close out the Authority's fund balance and finalize its dissolution, staff needs to reconcile previous revenues and operations and maintenance (O&M) costs with BART for fiscal years 2019 through 2022. Revenues and costs have been verified, however, due to staff turnover, the disposition has remained unresolved. Staff is requesting authorization to accept up to 1.5 million to account for the final dollar figure reconciled by BART.

FISCAL IMPACT

BART's parking revenues at the South Hayward station and the City's citation revenues within the South Hayward station area currently go into a separate Joint Powers Authority account (Fund 295) jointly managed by BART and the City. Moreover, accepting these revenues will have no impact on the City's funds. There will be no further revenues to Fund 295 from BART or the City as Council and the Authority voted to dissolve the South Hayward Bay Area Rapid Transit Station Access Authority.

NEXT STEPS

If Council adopts the resolution, staff will accept the revenues and continue to settle accounts in the Authority's account (Fund 295). Once revenues and costs are reconciled, staff will move forward to distribute the remaining fund balance to both the City and BART in proportion to

¹ <https://hayward.legistar.com/MeetingDetail.aspx?ID=965692&GUID=6946260E-6229-4E54-BCE6-E2233D1B8FB5&Options=info&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5936059&GUID=BF4C4597-8C72-4EB2-87C4-4DE64AADD9B&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5955024&GUID=5D0F9B46-6E49-4930-BDB8-E09063C9BC29&Options=&Search=>

the number of parking spaces within the Authority. Surplus funds must be spent on South Hayward BART station-related investments, including access improvements.

Following the fund distribution, City and BART staff will return to the Council Infrastructure Committee with a written and oral update on recommendations for utilization of the funds.

Prepared by: Emily Hwang, Management Fellow

Recommended by: Dustin Claussen, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager