



SUBJECT

Recommended FY 2027 – FY 2036 Capital Improvement Program

RECOMMENDATION

That the Planning Commission finds that the Recommended FY 2027 – FY 2036 Capital Improvement Program (CIP) is consistent with the Hayward 2040 General Plan.

SUMMARY

The City's Capital Improvement Program (CIP) is a planning document intended to guide the City's capital improvement activities over the next ten years. The CIP has been reviewed and developed to ensure that it is consistent with the City's General Plan. It has also been developed to support the Priorities identified by City Council as part of the City's Strategic Roadmap.

The proposed CIP budget includes approximately \$264 million in FY 2027 and an estimated \$1.3 billion in the next ten years. Given that Hayward is a full-service city, the CIP covers a wide range of projects, which may include street construction and improvements; bike and pedestrian improvements; traffic calming; water, wastewater, recycled water, and storm water systems upgrades; groundwater projects; airport projects; construction of public buildings; clean and renewable energy generation; replacement of major equipment; and other miscellaneous projects. As in past years, the document also includes Identified and Unfunded Capital Needs, which currently total \$637 million.

The Recommended FY 2027 – FY 2036 CIP¹ can be found on the City's website and is presented in a user-friendly online format. More information about navigating the online format can be found in the footnote link provided.

DISCUSSION

State law requires that the Planning Commission and City Council review the City's Recommended FY 2027 – FY 2036 CIP to ensure consistency with the City's General Plan. The City Council will review the Recommended FY 2027 – FY 2036 CIP at a work session in May 2026. The following discussion lists some of the specific CIP projects which align with the various General Plan elements.

[Public Facilities and Services Element](#)². The CIP includes an emphasis on updating and improving the City's infrastructure, which supports a core priority of the Strategic Roadmap, and is aligned with various goals and policies from Elements of the General Plan, including the

¹ FY 2027-FY2036 Capital Improvement Program: <https://www.hayward-ca.gov/your-government/documents/capital-improvement-program>

² <https://www.hayward-ca.gov/your-government/documents/general-plan/public-facilities-and-services-element>

following from the Public Facilities and Services Element:

Goal PFS-1: Ensure the provision of adequate and efficient facilities and services that maintain service levels, are adequately funded, accessible, reliable, and strategically allocated.

Policy PFS-1.1 Capital Improvement Program: The City shall maintain to ensure the implementation of the General Plan and the adequate and timely provision of public facility and municipal utility improvements.

Policy PFS-1.2 Priority for Infrastructure: The City shall give high priority in capital improvement programming to funding rehabilitation or replacement of critical infrastructure that has reached the end of its useful life or has capacity constraints.

The ongoing development of the South Hayward Youth & Family Center and La Vista Park aligns with the following goal and policy of the Public Facilities and Services Element:

Goal PFS-1: Ensure the provision of adequate and efficient facilities and services that maintain service levels, are adequately funded, accessible, reliable, and strategically allocated.

Policy PFS-1.6 Public Facility Clustering: The City shall promote the clustering of public and quasi-public facilities (e.g., schools, parks, libraries, childcare facilities, community activity centers), the joint-use of these facilities, and agreements for sharing costs and operational responsibilities among public service providers.

In addition to the previously stated Public Facilities and Services Policy PFS-1.2, sewer and water improvement projects such as the Water Resources Recovery Facility (WRRF) Switchgear Rehabilitation Project, WRRF Phase II Improvement Project, and Seismic Retrofit Maitland Reservoir and Appurtenances Projects, adhere to the policies under the following Public Facilities and Services goals:

Goal PFS-3: Maintain a level of service in the City's water system that meets the needs of existing and future development while improving water system efficiency.

Policy PFS-3.5 Water System Reliability: The City shall focus major water system projects on improving water system reliability, and shall replace or repair water lines that are leaking or otherwise meet the City's criteria for replacement, when deemed financially feasible

Goal PFS-4: Maintain a level of service in the City's wastewater collection and disposal system to meet the needs of existing and future development.

*[Mobility Element](#)*³. Key projects which align with the Mobility Element goals and policies include the Campus Drive Improvement Projects, and the Patrick/Gading Complete Streets Project.

Goal M-1: Provide a comprehensive, integrated, and connected network of transportation facilities and services for all modes of travel.

³ <https://www.hayward-ca.gov/your-government/documents/general-plan/mobility-element>

Policy M-1.2 Multimodal Choices: The City shall promote development of an integrated, multi-modal transportation system that offers desirable choices among modes including pedestrian ways, public transportation, roadways, bikeways, rail, and aviation.

Policy M-1.6 Bicycling, Walking, and Transit Amenities: The City shall encourage the development of facilities and services, (e.g., secure term bicycle parking, streetlights, street furniture and trees, transit stop benches and shelters, and street sweeping of bike lanes) that enable bicycling, walking, and transit use to become more widely used modes of transportation and recreation.

Paving and transportation projects also align with the third Mobility Element goal and policies, including the FY 2027 Pavement Rehabilitation Project, the Safe Routes to School Implementation Project, and the FY 2027 New Sidewalk Project.

Goal M-3: Provide complete streets that balance the diverse needs of users of the public right-of-way.

Policy M-3.1 Serving All Users: The City shall provide safe, comfortable, and convenient travel along and across streets to serve all users, including pedestrians, the disabled, bicyclists, motorists, movers of commercial goods, and users and operators of public transportation.

*[Natural Resources Element](#)*⁴. Projects aligning with the Natural Resources Element goals and policies include Transitioning 15% of the Total City Fleet to EV/Hybrid Models, the Recycled Water Master Plan, and Recycled Water Treatment Facility Expansion Phase II Projects.

Goal NR-2: Improve the health and sustainability of the community through continued local efforts to improve regional air quality, reduce greenhouse gas emissions, and reduce community exposure to health risks associated with toxic air contaminants and fine particulate matter.

Policy NR-2.10 Zero-Emission and Low-Emission Vehicle Use: The City shall encourage the use of zero-emission vehicles, low-emission vehicles, bicycles and other non-motorized vehicles, and car-sharing programs by requiring sufficient and convenient infrastructure and parking facilities throughout the City.

Policy NR-6.10 Water Recycling: The City shall support efforts by the regional water provider to increase water recycling by residents, businesses, non-profits, industries, and developers, including identifying methods for water recycling and rainwater catchment for indoor and landscape uses in new development.

An additional project which aligns with Natural Resources Element goals and policies is the Design and Construction of the La Vista Park.

Policy NR-1.5 Large-Scale Natural Area Access: The City shall support efforts to improve access to publicly owned large-scale natural areas located within the Planning Area, including the shoreline, creeks, regional parks, riparian corridors, and hillside open space areas, by allowing them to be open for controlled access to improve

⁴ <https://www.hayward-ca.gov/your-government/documents/general-plan/natural-resources-element>

public enjoyment and education, while also limiting access to extremely sensitive natural habitat and minimizing human-related environmental impacts.

In addition to the Energy Conservation project and Streetlight Conversion to LEDs project, the 1.4-Megawatt Solar Photovoltaic Energy System at WRRF is a renewable energy project, which aligns with the following Natural Resources goal and policies:

Goal NR-4.1: Reduce energy consumption through increased production and use of renewable energy, sustainable energy purchasing, and improved energy efficiency.

Policy NR-4.1 Energy Efficiency Measures: The City shall promote the efficient use of energy in the design, construction, maintenance, and operation of public and private facilities, infrastructure, and equipment.

Policy NR-4.4 Energy Resource Conservation in Public Buildings: The City shall continue to require all public facilities and services to incorporate energy and resource conservation standards and practices.

Policy NR-4.10 Energy Efficiency Measures: The City shall ensure that all new City-owned facilities are built with renewable energy, as appropriate to their functions, and shall install renewable energy systems at existing City facilities, where feasible.

[Community Safety Element⁵](#). In addition to the recently completed Fire Station No. 6 and Training Center, the Public Safety Center Conceptual Facility and Site Design Project align with Community Safety Element goals and policies related to Police Protection Services, Fire Protection and Emergency Medical Services.

Goal CS-2: Provide exceptional police protection services to promote a safe and secure community.

Policy CS-2.5 Police Equipment and Facilities: The City shall ensure that Police equipment and facilities are provided and maintained to meet modern standards of safety, dependability, and efficiency.

Policy CS-2.6 Police Facilities Master Plan: The City shall maintain and implement a Police Department Facilities Master Plan that serves as the long-term plan for providing the Police Department with state-of-the-art equipment and facilities, including police headquarters, police substations, training facilities, detention facilities, shooting ranges, and emergency operations centers.

Goal 4: Provide coordinated fire protection and emergency medical services to promote a safe and healthy community.

Policy CS-4.4 Timing of Services: The City shall ensure that growth and development does not outpace the expansion of Hayward Fire Department staffing and the development of strategically located and fully equipped fire stations.

Policy CS-4.5 Station Call Volumes and the Reallocation of Resources: The City shall monitor call volumes at individual fire stations to determine if certain areas of the City are in high demand of fire and emergency medical services. The City shall consider

⁵ <https://www.hayward-ca.gov/your-government/documents/general-plan/community-safety-element>

reallocating resources (fire units and/or equipment) or building new fire stations to serve high-demand areas.

[*Land Use & Community Character Element*](#)⁶. The Land Use and Community Character Element establish goals and policies to strategically accommodate future growth and change while preserving and enhancing the qualities and characteristics that make Hayward a desirable place to live, work, learn, and play. The goals and policies are designed to enhance Hayward's neighborhoods and districts with an attractive mix of uses and amenities that expand the local economy, enhance social interaction, protect environmental resources, and improve the overall quality of life of residents.

The CIP also focuses on beautification along key thoroughfares, including the Public Art Crosswalk Project, which aligns with many Land Use Element goals and policies, including:

Goal LU-4: Create attractive commercial and mixed-use corridors that serve people traveling through the City, while creating more pedestrian-oriented developments that foster commercial and social activity for nearby residents and businesses.

Policy LU-4.11 Streetscape Enhancements: The City shall strive to improve the visual character of corridors by improving streetscapes with landscaped medians, and widened sidewalks that are improved with street trees, pedestrian-scaled lighting, underground utilities, landscaping, and streetscape furniture and amenities.

[*Hazards Element*](#)⁷. While it is impossible to completely avoid natural and man-made hazards, the Hazards Element establishes goals and policies to protect life and minimize property damage during future disasters and emergencies. The goals and policies address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland wildfires, hazardous materials, airport hazards, and noise.

The CIP includes projects in the Water Improvement fund for seismic improvements and upgrades, which align with Goal 2 Seismic and Geologic Hazards:

Goal HAZ-2: Protect life and minimize property damage from potential seismic and geologic hazards.

HAZ-2.6 Infrastructure and Utilities: The City shall require infrastructure and utility lines that cross faults to include design features to mitigate potential fault displacement impacts and restore service in the event of major fault displacement. Mitigation measures may include plans for damage isolation or temporary bypass by using standard isolation valves, flexible hose or conduit, and other techniques and equipment.

HAZ-2.10 City Facilities: The City shall strive to seismically upgrade existing City facilities that do not meet current building code standards. Where upgrades are not economically feasible, the City shall consider the relocation and/or reconstruction of facilities.

The CIP also includes projects that minimize property damage from potential flood hazards, such as the Storm Drain Replacement at Kings Court project. The project replaces or repairs damaged storm drainpipes due to old age or erosion from the recent heavy rains over the past

⁶ <https://www.hayward-ca.gov/your-government/documents/general-plan/land-use-community-character-element>

⁷ <https://www.hayward-ca.gov/your-government/documents/general-plan/hazards-element>

years, which align with Goal 3 Flood Hazards:

Goal HAZ-3: Protect life and minimize property damage from potential flood hazards.

[Community Health and Quality of Life Element⁸](#). The CIP also includes the Landscape Material/Median Tree/Shrub Replacements project and the Hazardous Tree Removal project, which align with the Community Health and Quality of Life Goals:

Goal HQL-8: Maintain, enhance, and increase the city’s urban forest as an environmental, economic, and aesthetic resource to improve Hayward residents’ quality of life. Extensive tree canopies reduce the urban heat island effect and make streets and sidewalks more pleasant places to walk. Trees absorb carbon dioxide and pollution and produce oxygen, which contributes to improved air quality and human health. Trees also shelter wildlife and promote biodiversity, and can provide healthy sources of food, such as fruit and nuts. Policies in this section sustain and enhance the city’s urban forest.

[Education and Lifelong Learning Element⁹](#). The CIP, by its nature, predominantly includes infrastructure projects and does not include direct educational and learning projects. However, the CIP does align with the Education and Lifelong Learning Element by committing to the Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC). CWA applies to City projects with construction costs of \$1,000,000 or more. The agreement requires contractors to use local union hiring halls and encourages contractors to employ Hayward residents or Hayward Unified School District graduates. This requirement aligns with Goal 4 Education-to-Jobs Bridge.

Goal EDL-4: Improve Hayward’s “education-to-job bridge” through community partnerships that prepare students and residents for the future economy and expand their career choices.

Policy EDL-4.7 Workforce Resources and Training: The City shall promote career resources programs and occupational skills training services offered by local and regional agencies, such as the Alameda County Workforce Investment Board, East Bay Works, the California Employment Development Department, and the Construction Craft Training Center.

[Economic Development Element¹⁰](#). Similarly, economic development projects are typically not included in the CIP as the CIP mainly supports infrastructure projects. However, maintaining and improving the City’s infrastructure municipal buildings and facilities, fleet, and equipment maintain and improve the economic health and vitality of the City, which supports Goal 1: A Diversified and Robust Economy. In addition, capital projects at the Hayward Executive Airport support growth and cultivate economic activities in the area.

Goal ED-1: Diversify the economic base of Hayward to support a robust and stable economy with a diverse range of employment, shopping, and cultural opportunities for local residents.

Policy ED-1.17 Airport-Related Businesses: The City shall encourage and promote the

⁸ <https://www.hayward-ca.gov/your-government/documents/general-plan/community-health-and-quality-life-element>

⁹ <https://www.hayward-ca.gov/your-government/documents/general-plan/education-and-lifelong-learning-element>

¹⁰ <https://www.hayward-ca.gov/your-government/documents/general-plan/economic-development-element>

development of airport-related businesses, such as flight schools, aircraft maintenance, and executive airline services, at Hayward Executive Airport.

Furthermore, the CWA requirement for construction contracts promotes and provides opportunities for local skilled labor.

Policy ED-1.19 Local Hiring: The City shall promote local hiring, including youth employment and paid internships, to increase community ownership and resident retention, help achieve a more positive jobs-housing balance, and reduce regional commuting, gas consumption, and greenhouse gas emissions.

FISCAL IMPACT

The capital budget for FY 2027 totals approximately \$264 million, with a total of approximately \$1.3 billion tentatively programmed for the entire ten-year period from FY 2027 through FY 2036. An additional \$637 million of unfunded needs have been identified for the same period.

Only four of the twenty-three CIP funds rely on transfers from the General Fund for project expenses. The following table reflects the proposed General Fund transfers to these four funds when compared to FY 2026.

CIP Fund	FY 2026 GF Transfer	FY 2027 GF Transfer	Increase / (Decrease) from FY 2026
405/Capital Projects (General)	\$500,000	\$2,516,000	\$2,016,000
460/Transportation System Improvement	\$800,000	\$0	(\$800,000)
726/Facilities Management Capital	\$95,000	\$1,172,000	\$1,077,000
731/Information Technology Capital	\$50,000	\$0	(\$50,000)
Total Cost to General Fund	\$1,445,000	\$3,688,000	\$2,243,000

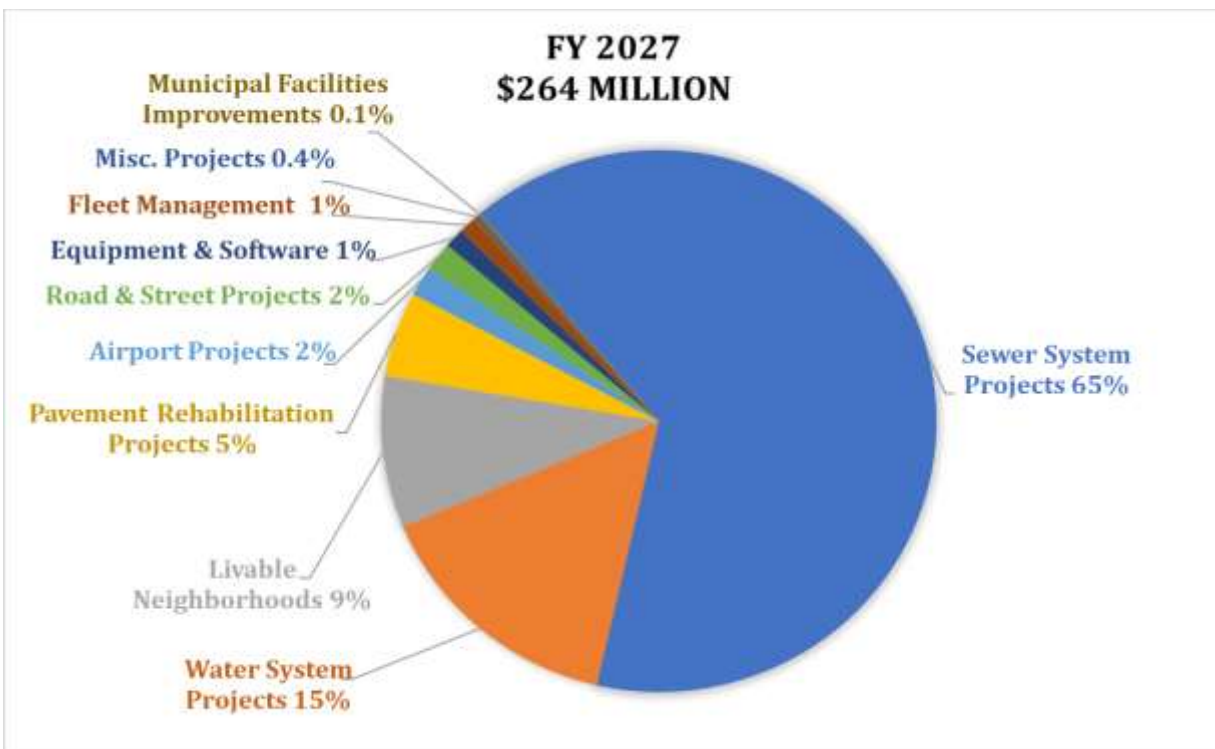
Four of the CIP funds are also Internal Service Funds, meaning they use Internal Service Fees (ISF) to finance project expenses. Internal Service Fees are collected when one City department provides a service to another, drawing those service expenses from the operating budget of the benefiting department. Although some departments are funded by Enterprise funds, many are part of the General Fund. The Internal Service Fees paid by General Fund-supported departments have an impact on the General Fund. The total proposed Internal Service Fees for FY 2027 are shown below.

CIP Fund	FY 2026 ISF	FY 2027 ISF	Increase/ (Decrease) from FY 2026
726/Facilities Management Capital	\$450,000	\$450,000	\$0
731/Information Technology Capital	\$0	\$850,000	\$850,000
736/Fleet Management Capital (General Fund)	\$1,300,000	\$0	(\$1,300,000)

737/Fleet Replacement (Enterprise Funds)	\$506,000	\$691,000	\$185,000
Total ISF	\$2,256,000	\$1,991,000	(\$265,000)

As displayed in the tables above, there is an overall increase of \$2,243,000 in proposed FY 2027 General Fund transfers when compared to FY 2026, and a reduction of \$265,000 in proposed FY 2027 ISF. The proposed project costs by CIP category are as follows:

Project Category	FY 2026 Adopted	FY 2027 Recommended	Increase/ (Decrease) from FY 2026 CIP
Sewer System Projects	\$72,255,662	\$171,062,706	\$98,807,044
Water System Projects	\$17,230,350	\$39,723,000	\$22,492,650
Livable Neighborhoods	\$30,544,206	\$23,715,200	(\$6,829,006)
Pavement Rehabilitation Projects	\$13,719,000	\$13,388,000	(\$331,000)
Airport Projects	\$2,596,000	\$4,701,359	\$2,105,359
Road & Street Projects	\$994,500	\$4,518,000	\$3,523,500
Equipment & Software	\$5,469,000	\$3,059,000	(\$2,410,000)
Fleet Management	\$3,118,000	\$2,610,000	(\$508,000)
Misc. Projects	\$2,736,914	\$1,057,000	(\$1,679,914)
Municipal Facilities	\$12,300,000	\$300,000	(\$12,000,000)
Total Capital Improvement Projects	\$160,963,632	\$264,134,265	\$103,170,633



The proposed project costs in each CIP Fund are as follows:

CIP Fund	FY 2027 Recommended
(210) Special Gas Tax	\$4,866,000
(211) RRAA (SB1)	\$5,400,000
(212) Measure BB - Local Transportation	\$7,465,785
(213) Measure BB - Ped & Bike	\$3,972,561
(215) Measure B - Local Transportation	\$0
(216) Measure B - Ped & Bike	\$0
(218) Vehicle Registration Fund	\$700,000
(219) Measure BB - Paratransit	\$0
(405) Capital Projects	\$11,558,000
(406) Measure C Capital	\$0
(410) Rte. 238 Corridor Improvement	\$0
(411) Rte. 238 Settlement Admin	\$750,000
(450) Street System Improvements	\$3,672,000
(460) Transportation System Improvements	\$6,692,854
(603) Water Replacement	\$9,501,000
(604) Water Improvement	\$30,322,000
(611) Sewer Replacement	\$12,760,000
(612) Sewer Improvement	\$158,402,706
(621) Airport Capital	\$4,701,359
(726) Facilities Capital	\$300,000
(731) Information Tech Capital	\$460,000
(736) Fleet Management Capital	\$1,155,000
(737) Fleet Management Enterprise	\$1,455,000
Total	\$264,134,265

ECONOMIC IMPACT

The direct economic impact of these projects is not quantifiable. However, maintaining and improving the City's infrastructure, fleet, buildings, and recreational facilities will have a beneficial impact on maintaining and improving economic desirability, health, and vitality of the City and community.

PUBLIC CONTACT

On March 27, 2026, a Notice of this Public Hearing for the Planning Commission meeting was published in *The Daily Review* newspaper. The public has an opportunity to review and comment on the CIP at this evening's Planning Commission meeting and will have additional opportunities to comment at the Council Infrastructure and Airport Committee Meeting

(CIAC), tentatively scheduled for April 22, 2026, at the CIP at the City Council work session, tentatively scheduled for May 5, 2026, and at the City Council Public Hearing, which has been tentatively scheduled for June 9, 2026. Additional notices advising residents about the City Council Public Hearing on the CIP will be published in the *Daily Review* newspaper at least ten days in advance. Additionally, a copy of the Recommended CIP is made available online at www.hayward-ca.gov/CIP, and printed copies are available at the Public Works & Utilities' Department office, at the City Clerk's office, and at the City libraries¹¹. Individual projects will also be subject to additional public feedback and input at future City Council meetings, as appropriate.

NEXT STEPS

Once the Planning Commission has completed the review of the Recommended CIP and found it in conformance with the Hayward 2040 General Plan, the CIP will be reviewed at a CIAC, tentatively scheduled for April 22, 2026. Additionally, the City Council will review the CIP at a work session, tentatively scheduled for May 5, 2026, and then again at a public adoption hearing, tentatively scheduled for June 9, 2026.


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¹¹ <https://www.hayward-ca.gov/public-library/using-library/locations-hours>