

**CITY COUNCIL MEETING
TUESDAY, MAY 23, 2017**

DOCUMENTS RECEIVED AFTER PUBLISHED AGENDA

Agenda Questions and Answers

<p>AGENDA QUESTIONS & ANSWERS MEETING DATE: May 23, 2017</p>	
<p>Requested by: CM Lamnin</p> <p>Regarding Item 2, Garin Reservoir: Did Spiess Construction Co.'s bid amount include the costs associated with services of the prequalified system supplier (even though a supplier was not identified)?</p>	<p>Response from: Utilities and Environmental Services Director Alex Ameri</p> <p>Spiess Construction's bid amount does include the costs associated with services of the prequalified system supplier.</p>
<p>Requested by: CM Lamnin</p> <p>For Item 4, Median Landscape improvements. Are there additional maintenance costs anticipated for this project once it is completed? (Just for you and Todd: The conversation about the landscape contract was much appreciated on Saturday!)</p>	<p>Response from: Maintenance Services Director Todd Rullman</p> <p>This section of Industrial already has existing landscaping, mainly turf which is already maintained by a contractor on behalf of MS with existing budget. The landscape which was discussed Saturday as part of MS augmentation request for FY18 was a brand new and expansive landscape which never existed previously and now needs on-going maintenance and irrigation.</p> <p>While the new Bay Friendly landscape to be installed in item #4 will be more labor intensive to maintain than the current turf, any augmentation needed once complete will be minimal, if needed at all since we already have resources in our current budget to maintain.</p>
<p>Requested by: CM Lamnin</p> <p>Question 1: For Item 5, CSC recommendations, what data did Committee review to understand/identify "the Areas of Need in the Hayward community" (noted on the top of page 3 of 8)?</p> <p>Question 2: For Item 5, CSC recommendations. Also on this item, would you please clarify the statement on the top of page 4 of 9 that unspent funds must be used on infrastructure projects? (Referred to as one time funds). If I am reading our Community Development Block Grant Compliance Policies correctly (page 48), unspent funds are to be reallocated the following year. They may be spent on City infrastructure projects, but that does not appear to be required. Is there a different set of regulations that applies? https://www.hayward-ca.gov/sites/default/files/basic-pages/CDBG Manual 2014.pdf</p>	<p>Response from: Director of Library & Community Services Sean Reinhart</p> <p>The Committee identified the proposed categories primarily through a review of the data from local programs and projects that are: a) most commonly awarded City funding over the past ten years; b) identified as priorities in recent years of CSC and Council discussions of community needs; and, c) eligible for funding per CDBG and Social Services program guidelines and regulations.</p> <p>The potential CDBG one-time available funds referred to on page 4 are primarily derived from, a) past construction-related projects funded by CDBG that were completed under budget; and, b) unanticipated program income received from past loans made by the City through the small business assistance and housing rehabilitation programs, some decades old, that were recently repaid by the borrowers. All of these activities originally were undertaken with restricted CDBG funds that may only be applied to infrastructure and economic development activities. HUD regulations for the use of CDBG funds require that any reallocation of available funds in these categories must be to activities in the same categories, meaning that these funds can only be reallocated to other infrastructure and economic development activities.</p>

<p>Requested by: CM Lamnin</p> <p>For Item 7, the Rezoning application:</p> <p>Question 1: I appreciate the need for rezoning and the work that will be done in the future to smooth out our industrial zoning. Would you please reiterate why the recommendation is for Planned Development rather than LM (LIGHT MANUFACTURING, PLANNING/RESEARCH AND DEVELOPMENT DISTRICT) or Industrial?</p> <p>Question 2: Does the move to PD open the door for housing on this site?</p> <p>Question 3: For both this development and Stonebrae, is Solar required?</p>	<p>Response from: Director of Development Services David Rizk</p> <p>Because both the LM and I districts don't allow the variety and types of uses that the proponent and City staff seek (emphasis on Advanced Industries). Also, the PD Provisions (Attachment III to the report) specifically call out uses allowed, which are very specific and which do not include housing.</p> <p>See response above.</p> <p>No, but "wiring"/infrastructure for solar systems is required (by Code). If not, can it be? For Stonebrae, the actions before Council tonight (Development Agreement extension and approval of the Final Map for Village C) would not relate to requiring solar for the homes. However, the homes in Village C would be subject to Site Plan Review approval and Council could indicate tonight that they would like to see solar PV systems on the homes, and staff would ensure that happens.</p> <p>For the PD Rezone, the larger and similar project across Marina Drive wasn't required to have solar atop the roof, and staff's focus on this PD Rezone has been the type of use and job generation the PD Rezone would generate/allow. However, as long as Council feels requiring solar is justified through the findings for the PD Rezone (see those findings in <u>Attachment II</u> to the report), then requiring solar could be justified. The first finding would probably be the most likely finding that could be used to justify solar: "The development is in substantial harmony with the surrounding area and conforms to the General Plan and applicable City policies."</p>
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PUBLIC COMMENTS

Kate Turney

Public Comments May 23, 2017 by Kate Turney, HWD hangar D-12

We ask you to withdraw the proposed 10% increase on hangar rents this July. The arguments for the unprecedented hike violate stipulations outlined the Airport Master Plan. The Council's April 13th meeting of this year illustrates some of the problems. Reviewing the text of the meeting, I am struck by assumptions that do not stand up to scrutiny compared to the guidelines of the published Plan.

The Plan sets the predicate for revenues, expenses, uses and development of the airport. From the 2002 text, I quote:

1. Hangar rents are projected to increase by 3% every other year.*
2. The airport will maintain cash reserve for emergency operations of \$1.5 million.**
3. Money from the sale of airport property is to be used exclusively "for the development, maintenance and operation" of the airport. ***

Public Works offered conflicting information at the April 13th meeting;

1. The Director said the airport has had a surplus the last few years and that the shortfall in 2015 resulted from the airport's mistaken double payment on a loan from the Water Department.
2. The Director projected that shortfall, already labeled an accounting error, through 2024 when the loan will be paid off.
3. He reported a reserve fund of \$3 million to cover his projected shortfalls.
4. Asked by the Council if this fund included the \$5 million reserve fund balance, the Director said No, the \$5 million has been used to cover the shortfall in the airport administration building and that that money can only be used for that kind of circumstantial need. This contradicts the Master Plan.***
5. The Council addressed the disparity between the \$5 million now being discussed and the \$7million reserve

fund referred to in other meetings. The Director replied that "there is no minimum amount...the policy states [this money] be used in event of emergency of specific projects." This contradicts the Master Plan.***

We note that the money referred to here is from the sale of Airport property totaling \$7 million, \$2 million of that was spent on the Administration Building, which would leave a \$5 million balance "to be spent for the development, maintenance and operation" of the Airport.*

Two reserve funds: \$3 million and \$5 million. Add them up and you've got some real money.

NO OTHER MUNICIPAL AIRPORT HAS THIS MANDATED LARGESS TO WORK WITH. This must be considered when proposing rent increases.***

Hangar rents account for 1/3 of Airport monies. No free ride there. The Director says the Airport loan from the water company accounts for whatever shortfall he imagines might someday happen. With \$8 million in reserve funds, we have enough to pay off that loan in full and still have \$6 million left.

We are not arguing for zero increase in rents, but we do find the projected 3% every two years to be reasonable.

* 2002 Airport Master Plan, Section 1-4

** 2002 AMP, Section 6-14

*** 2002 AMP, Section 6-20

PUBLIC COMMENTS

Jerry Turney

SALE OF LAND & HANGAR RENTS

In 1961, the FAA released **28 acres** of the Hayward Airport for sale at the fair market value, and the City is obligated to devote **the entire sum** from the sale “for the:

- a) **development**
- b) **maintenance, and**
- c) **operation”** of the
airport.

2) **INVESTMENTS** KEEP HANGAR
RENTS *BELOW* **FAIR MARKET**
SHARE.

In 1966, the City sold **368** acres of the Hayward Airport for sale. The City is **obligated to use the funds** from the sale exclusively for the:

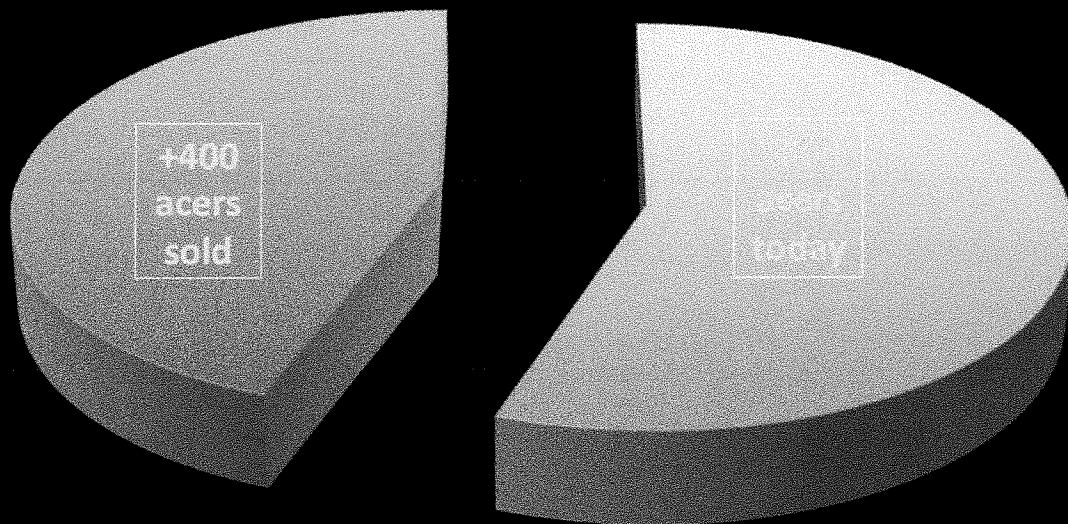
a) development

b) improvement

c) operations, or

d) maintenance of the airport.

**IN 1947, THE GOVERNMENT GAVE HAYWARD (\$1.00)
AN AIRPORT ON NEARLY 1,000 ACRES.**



**FROM 1961-2005, THE CITY SOLD ABOUT 400/1000 ACRES.
DEVELOPMENTS WERE MADE. 206 HANGARS. LOANS ARE PAID OFF.
TODAY, THE 206 HANGARS GENERATE MORE WERE CONSTRUCTED.
HANGAR REVENUE IS THE LARGEST SOURCE OF AIRPORT REVENUE.
SALE OF PROPERTY REDUCED THE COST OF INVESTMENT INCREASING
THE NET RETURN ON LOWER RENTS. GENIUS!**

2017 Airport budget, opposition

Airport Fund 621

\$182,251 deficit, projected 2017

\$205,112 additional airport staff

staff at 2016 level, airport surplus

or,

raise hangar rents 10% (\$181,400), increase staffing?!

Size matters, 2016 revenue, (6 of 21 sources)

\$1,070,642: 206 Rent Group (2x & 10x all others!)

\$ 584,451: Home Depot

\$ 126,566: Meridian

\$ 98,202: Ascend Development

\$ 84,800: APP Jet Center

\$ 28,081: Bud Field Aviation

\$?!(29,600: "A" row hangars, 1951)?!

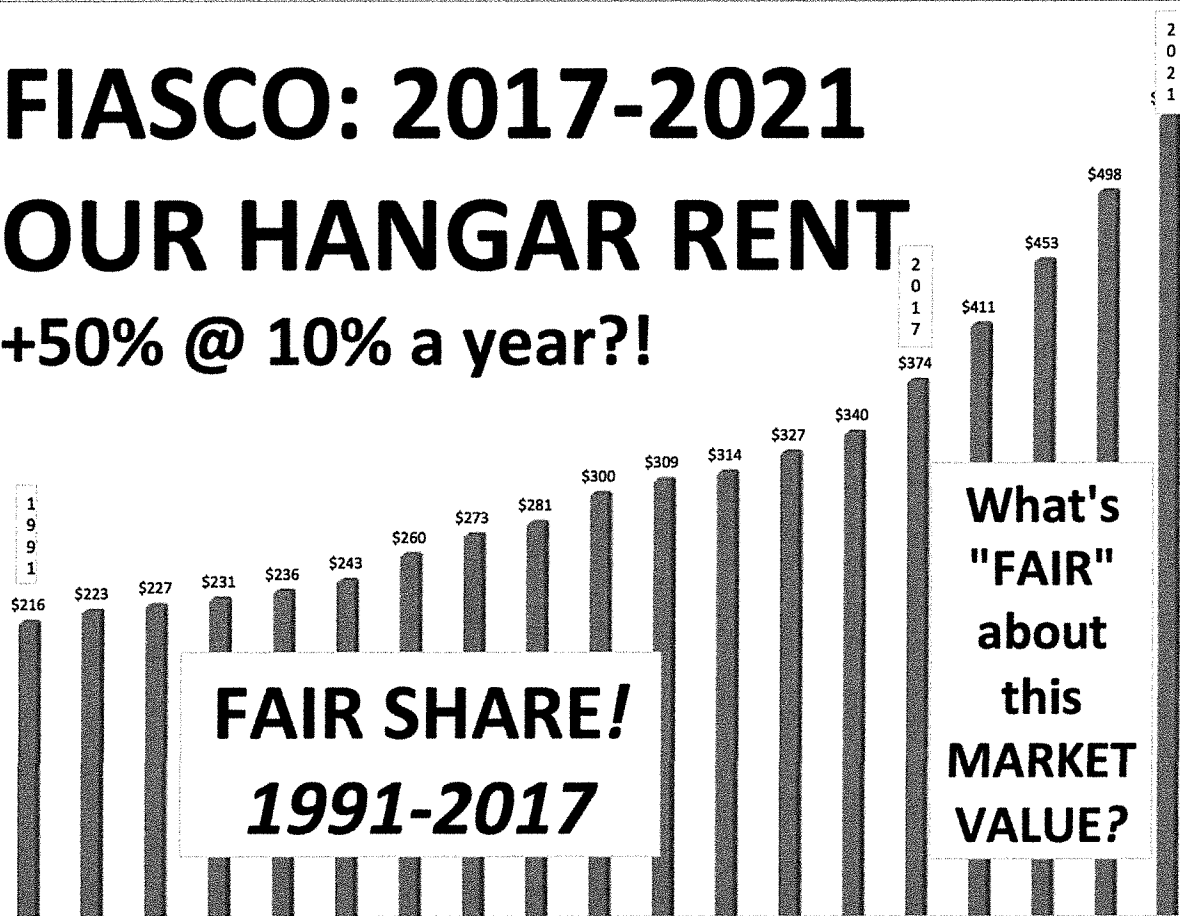
\$ 169: Airport Plaza Office Building, (Hesperian Blvd)

More analysis will follow, however, two weeks
(from introduction to Council vote) was insufficient
time to offer more comprehensive assessment.

FIASCO: 2017-2021

OUR HANGAR RENT

+50% @ 10% a year?!



A COMMUNITY ASSET IS NOT A COMMON MARKET

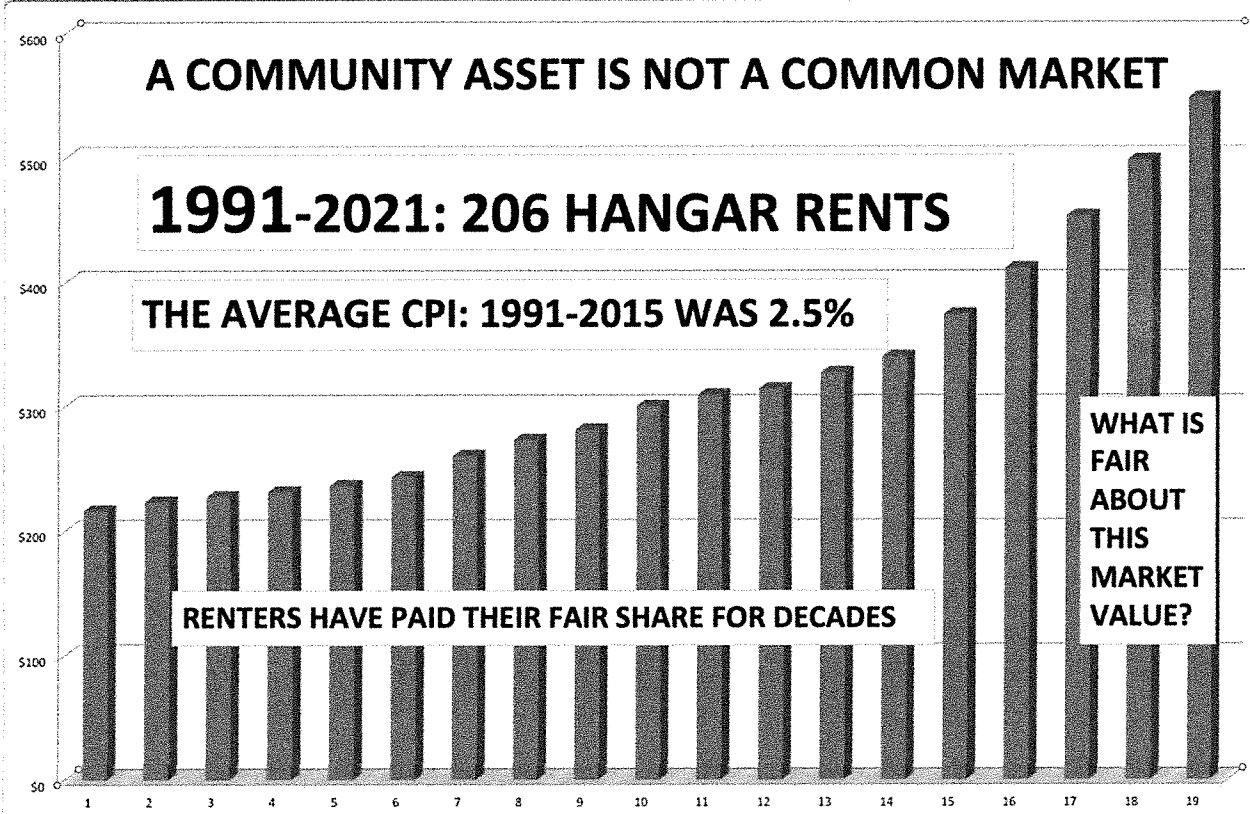
1991-2021: 206 HANGAR RENTS

THE AVERAGE CPI: 1991-2015 WAS 2.5%

**WHAT IS
FAIR
ABOUT
THIS
MARKET
VALUE?**

RENTERS HAVE PAID THEIR FAIR SHARE FOR DECADES

Series1



U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
 Western Information Office, 90 7th St., Suite 14-100, San Francisco, CA 94103
 Information Staff (415) 625-2270 / Fax (415) 625-2351

SAN FRANCISCO-OAKLAND-SAN JOSE

Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	SEMIANNUAL		ANNUAL AVERAGE
													1ST HALF	2ND HALF	
1998		163.2		164.6		165.5		166.6		167.2		167.4	164.2	166.9	165.5
1999		169.4		172.2		171.8		173.5		175.2		174.5	170.8	174.2	172.5
2000		176.5		178.7		179.1		181.7		183.4		184.1	177.7	182.6	180.2
2001		187.9		189.1		190.9		191.0		191.7		190.6	188.7	191.1	189.9
2002		191.3		193.0		193.2		193.5		194.3		193.2	192.3	193.7	193.0
2003		197.7		197.3		196.3		196.3		196.3		195.3	196.8	196.1	196.4
2004		198.1		198.3		199.0		198.7		200.3		199.5	198.2	199.5	198.8
2005		201.2		202.5		201.2		203.0		205.9		203.4	201.5	203.9	202.7
2006		207.1		208.9		209.1		210.7		211.0		210.4	207.9	210.6	209.2
2007		213.688		215.842		216.123		216.240		217.949		218.485	214.736	217.361	216.048
2008		219.612		222.074		225.181		225.411		225.824		218.528	221.730	223.804	222.767
2009		222.166		223.854		225.692		225.801		226.051		224.239	223.305	225.484	224.395
2010		226.145		227.697		228.110		227.954		228.107		227.658	226.994	227.944	227.469
2011		229.981		234.121		233.646		234.608		235.331		234.327	232.082	234.698	233.390
2012		236.880		238.985		239.806		241.170		242.834		239.533	238.099	241.201	239.650
2013		242.677		244.675		245.935		246.072		246.617		245.711	243.894	246.152	245.023
2014		248.615		251.495		253.317		253.354		254.503		252.273	250.507	253.463	251.985
2015		254.910		257.622		259.117		259.917		261.019		260.289	256.723	260.421	258.572
2016		262.600		264.565		266.041 ⁿ		267.853 ⁿ		270.306		269.483	263.911 ⁿ	268.777	266.344
2017		271.626		274.589											

Table of over-the-year percent increases. An entry for Feb. 2006 indicates the percentage increase from Feb. 2005 to Feb. 2006.

1999	3.8	4.6	3.8	4.1	4.8	4.2	4.0	4.4	4.2
2000	4.2	3.8	4.2	4.7	5.5	4.0	4.8	4.5	
2001	6.5	5.8	6.6	5.1	4.5	3.5	6.2	4.7	5.4
2002	1.8	2.1	1.2	1.3	1.4	1.4	1.9	1.4	1.6
2003	3.3	2.2	1.6	1.4	1.0	1.1	2.3	1.2	1.8
2004	0.2	0.5	1.4	1.2	2.0	2.2	0.7	1.7	1.2
2005	1.6	2.1	1.1	2.2	2.8	2.0	1.7	2.2	2.0
2006	2.9	3.2	3.9	3.8	3.4	3.4	3.2	3.3	3.2
2007	3.2	3.3	3.4	2.6	3.3	3.8	3.3	3.2	3.3
2008	2.8	2.9	4.2	4.2	3.6	0.0	3.3	3.0	3.1
2009	1.2	0.8	0.2	0.2	0.1	2.6	0.7	0.8	0.7
2010	1.8	1.7	1.1	1.0	0.9	1.5	1.7	1.1	1.4
2011	1.7	2.8	2.4	2.9	3.2	2.9	2.2	3.0	2.6
2012	3.0	2.1	2.6	2.8	3.2	2.2	2.6	2.8	2.7
2013	2.4	2.4	2.6	2.0	1.6	2.6	2.4	2.1	2.2
2014	2.4	2.8	3.0	3.0	3.2	2.7	2.7	3.0	2.8
2015	2.5	2.4	2.3	2.6	3.2	3.2	2.5	2.7	2.6
2016	3.0	2.7	2.7 ⁿ	3.1 ⁿ	3.6	3.5	2.8 ⁿ	3.2	3.0
2017	3.4	3.8							

PUBLIC COMMENTS

R.F. Bausone

Mayor and City Council members,

I would like to present two items for your review regarding Hayward Airport Hangar Rent.

The first graph is a review of the BLS Consumer Product Index. This and an agreed upon formula were used historically for the purposes of establishing a fair and balanced approach to Rent costs at the Hayward Airport. This is a balance of a CPI Calculation which Established a Fair Market Value (FMV) when applied to the hanger rent rates.

See Illustration #1

Recently it has come to attention that the method that has worked for nearly twenty years is now somehow deficient.

I question this because in that time little has changed with regard to the airport or Hangars:

- 1) Land was sold for a profit
- 2) Leases for commercial "non-aviation" businesses have been established
- 3) Those sales and leases contribute to an airport that does not have new hangars (other than a few Privately funded Corporate entities)
- 4) Those sales and leases contribute to an airport that does not have new taxiways, or "alleys" between hangars
- 5) Those sales and leases contribute to an airport that does not have hangars with new roofs
- 6) It turns out the only noticeable improvement is a new Airport office building.

In this Illustration, the CPI is shown as well as Fair Market Value calculations that were agreed to by the Mayor and City Council. This Illustration also demonstrates the Proposed increases. As you can plainly see, this matches no rational view of the world, but only a contrived allotment.

For clarity, I have chosen a second illustration (#2) which demonstrates what you are now proposing to agree with.

I'm quite certain any one of you would not accept this sort of increase were you a tenant.

The proposal is unjust, and discriminatory, as it seeks to reward a structure, with additional personal and funding that absolutely no need has been shown to be warranted.

Please change your minds about what you have currently decided and allow reason to dictate the outcomes.

Respectfully submitted,

R. F. Bausone

PUBLIC COMMENTS

Lloyd Emberland

presentation

Good evening,

My name is Lloyd Emberland, retired United Airlines aircraft technician,

In the East Bay Times May 17 issue on the front page was an article about an unprecedented 130 bills introduced in Sacramento to combat the housing and rent crisis. Assemblyman David Chiu from San Francisco said, and I quote, "In the Bay Area in recent years, we've had the highest home prices, the highest rents and highest eviction rates in the country. But now every pocket in California is experiencing this crisis." end quote. I want to emphasize that every pocket is experiencing this crisis. This is "Fair Market Value" at its worst and it also applies to our hangar rents.

We had a similar crisis back in the early 1970's when property taxes were increasing disproportionately to the CPI. So desperate times brought desperate measures and Proposition 13 was put on the ballot. And the rest is history.

Now, the question is: Are you part of the problem or are you part of the solution? Thank you.

PUBLIC COMMENTS

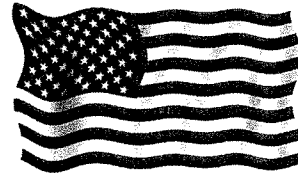
Mr. C.J. Samiul aka Citizen Sam

Citizenship Classes

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Ciudadanía

Thursday 4:00 – 6:00 p.m.

Jueves 4:00 – 6:00 p.m.



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Who are Sikhs ?

Come, listen to and meet your Sikh neighbors !



Guru Granth Sahib Foundation (Sikh Gurdwara/Temple), Hayward and Eden Area Interfaith Council (EAIC) invite you to a presentation on Sikh faith followed by a Question and Answer session.

Learn about origin of Sikhism, their beliefs, values, practices, culture and more.

Bring your questions.

Refreshments will be served.

Sunday, June 4. 2-4 pm at San Lorenzo Library.

395 Paseo Grande, San Lorenzo.

Sunday, June 11. 2-4 pm at Castro Valley Library.

3600 Norbridge Ave, Castro Valley.