



**DATE:** May 6, 2025

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Review of Recommended Capital Improvement Program for FY26 – FY35

## RECOMMENDATION

That the City Council reviews and comments on the Recommended Capital Improvement Program (CIP) for FY26 through FY35.

## SUMMARY

The CIP is a planning document intended to guide the City's capital project expenditures for the upcoming ten-year period. The proposed CIP budget includes approximately \$161 million in FY26 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; wastewater, recycled water, storm water, and water system upgrades; groundwater projects; construction of public buildings; airport projects; replacement of major equipment; clean and renewable energy generation; and other miscellaneous projects. As in past years, the document also includes Identified and Unfunded Capital Needs, which currently total \$709 million.

The Recommended FY26 – FY35 CIP can be found [here](#)<sup>1</sup> on the City's website and features an online format. More information about navigating the new format can be found via the link provided.

### Planning Commission Review

State law requires that the Planning Commission review the Recommended CIP to ensure consistency with the City's adopted General Plan. The Recommended FY26 – FY35 CIP was presented to the Planning Commission at their April 10, 2025, meeting<sup>2</sup>, and the Commission unanimously found that the Recommended FY26 – FY35 CIP is consistent with the City's 2040 General Plan.

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<sup>1</sup> <https://www.hayward-ca.gov/your-government/documents/capital-improvement-program>

<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=7290582&GUID=D34595D1-4820-4915-BD02-6475D544FACC&Options=&Search=>

### Council Infrastructure & Airport Committee Review

On April 23, 2025<sup>3</sup>, the Council Infrastructure & Airport Committee (CIAC) discussed the proposed CIP budget, and the Committee commented on several projects, including the new Public Safety Center Project, Sulphur Creek Mitigation Project, Safe Routes to Schools, and La Vista Park to name a few. The Committee also urged staff to ensure that the proposed FY26 CIP maintained alignment with current and future iterations of the City's Strategic Roadmap. The Committee unanimously approved and recommended the CIP's adoption to the City Council.

### **BACKGROUND**

The CIP process begins with staff's preparation of projects and related cost estimates, which are framed by the guidance provided by City Council, as well as the needs of the community. Capital projects are identified and prioritized with an emphasis on eliminating geographic inequities in the distribution of City services and infrastructure. Highest priority is given to areas in the community which have experienced a disproportionate level of improvements in past years, as well as those communities with the current highest need.

The projects in the Recommended FY26 – FY35 CIP have also been identified and prioritized based on their relevancy to the Strategic Roadmap. The CIP, by its nature, predominantly supports the Invest in Infrastructure Priority, but it also includes several projects which support the Confront Climate Crisis & Champion Environmental Justice, Enhance Community Safety & Quality of Life, Grow the Economy, and Strengthen Organizational Health Priorities.

The projects ultimately identified for inclusion in the CIP are designed to meet the requirements of the City's General Plan, specific plans, and master plans. The capital project funding requests are then submitted for evaluation to an internal capital projects review committee. Once the review committee's feedback is incorporated, the Recommended Ten-Year CIP is compiled and presented to the Planning Commission for determination of consistency with the General Plan, as well as the Council Infrastructure & Airport Committee for review and input. The public can provide comments at each of these meetings, as well as at the last public hearing, which is tentatively planned to take place on June 3, 2025. It is at this final public hearing that the capital spending plan for the upcoming year will be considered by City Council for adoption.

### **DISCUSSION**

The CIP is a planning document intended to guide the City's capital project expenditures for the upcoming ten-year period. The proposed CIP budget includes approximately \$161 million in FY26 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

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<sup>3</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=7349698&GUID=B3C82891-22C3-4ED3-B201-6B8EE9EDFB44&Options=&Search=>

construction and improvements; wastewater, recycled water, storm water, and water system upgrades; groundwater projects; construction of public buildings; airport projects; replacement of major equipment; clean and renewable energy generation; and other miscellaneous projects. As in past years, the document also includes Identified and Unfunded Capital Needs, which currently total \$709 million.

Below is a discussion of major projects in each category for which work will begin or continue into FY26. Please note that not all of the projects featured in this report are being recommended to receive new FY26 funding.

### *Livable Neighborhoods Projects*

Projects categorized as “Livable Neighborhoods” include street lighting projects, pedestrian traffic signal improvements, parks, buildings, public art and engagement, transportation equity projects, and traffic calming measures, as well as sidewalk and wheelchair ramp improvements throughout the City. Some examples of Livable Neighborhoods Projects in the Recommended FY26 – FY35 CIP include the Campus Drive Improvements, through which the City is implementing pedestrian, bicycle, and traffic calming improvements to address safety concerns and mobility needs in the 0.78 mile-stretch of Campus Drive between 2nd Street and Hayward Boulevard.

Another ongoing Livable Neighborhoods Project is La Vista Park, the 39-acre destination park located a quarter mile east of the intersection of Tennyson Road and Mission Boulevard in South Hayward. In FY22, the California Environmental Quality Act (CEQA) report was updated to include the park expansion area. The design phase is now complete and bids for construction are currently being reviewed to be awarded in Spring 2025.

The Alameda County Transportation Commission (Alameda CTC) Safe Routes to School program conducts regular School Safety Assessments for the public schools in Hayward and throughout the County, resulting in a set of infrastructure recommendations to make it easier for students to bike and walk to school. Hayward's Safe Routes to School Program (SR2S) was created to implement these recommendations. In collaboration with partners including Hayward Unified School District, Alameda CTC, and various community organizations, SR2S will combine engineering tools with safety education and other activities to encourage students to choose alternate modes of transportation on their way to school.

The City applied for and received grant funding from the California Air Resources Board to fund infrastructure improvements recommended by the School Safety Assessments. These improvements include new crosswalks, bulb-outs, street restriping and other improvements that will enhance safety for pedestrians, cyclists, and transit riders. The schools for this project include Burbank Elementary, Faith Ringgold, Impact Academy, Longwood Elementary, Martin Luther King Jr. Middle, Park Elementary, Schafer Park Elementary, Southgate Elementary, Tennyson High, Tyrrell Elementary, Winton Elementary, and Palma Ceia Elementary.

Another new project is the Industrial Parkway/Ruus Road Bicycle Network and Intersection Improvement Project. This project will install traffic signal upgrades at the intersection of Industrial Parkway and Ruus Road to add left-turn protected phasing, convert pedestal-mounted traffic signal to mast arm, raised pavement markings and striping, pedestrian signals and APS pushbuttons. Improvements will improve traffic safety at the intersection and increase accessibility of all road users.

### Road and Streets Projects

Projects in the “Road and Streets” category range from curb and gutter repair to major gateway corridor improvements and are primarily funded through non-discretionary funding including Measure B (Fund 215 and 216) and Measure BB (Fund 212, 213, and 219), Gas Tax (Fund 210), Vehicle Registration Fee (VRF) (Fund 218), Route 238 Corridor Improvement (Fund 410), Streets Improvement (Fund 450), Transportation System Improvement (Fund 460), and grants such as LATIP and Alameda CTC funds.

A key project in this category is Phase 3 of the Mission Boulevard Corridor Improvement Project, located from A Street to the northern City limit at Rose Street. Phase 3 is the last phase of the three-phase Mission Boulevard Corridor Improvement Project. Improvements include undergrounding of overhead utilities, electrical service conversions of private properties, construction of bicycle cycle track, sidewalk, curb and gutter, rehabilitation of pavement, installation of traffic signals and streetlights, installation of traffic striping, pavement marking and signage, improvements to storm drains systems, installation of irrigation system and landscaping, as well as City of Hayward monument signs. Construction is currently in progress and anticipated completion is estimated for Summer 2025.

Another project in this category is the Main Street Complete Streets project. This project will improve pedestrian and bicycle facilities along Main Street to create a safe and friendly environment for multimodal travel in the Downtown Hayward Priority Development Area. Proposed improvements include reducing the roadway from four to two lanes and one center lane for left turns and temporary areas for delivery truck loading and unloading, adding bulb-outs (curb extensions) and bike lanes, improving ADA access with new curb ramps, replacing existing sidewalk, adding decorative streetlights, creating on-street parking opportunities that provide door zone protection for bicyclists, resurfacing and restriping roadways, and creating an attractive, sustainable landscaping buffer along sidewalks. Construction for this project begun in June 2024 and completion is anticipated in Summer 2025.

### Pavement Rehabilitation

Pavement Rehabilitation projects are a subsection of the Road and Streets projects which are typically discussed separately because they represent a relatively large part of the annual CIP. Approximately \$13.7 million in Pavement Rehabilitation programming is recommended for FY26.

Street selection for pavement rehabilitation projects is based on several criteria. First, the Pavement Management Program (PMP) is used to evaluate current roadway conditions and future condition predictions. The PMP provides a logical and efficient method for identifying street rehabilitation needs and determining a path for implementation. Staff also refers to the Metropolitan Transportation Commission's (MTC) guidelines, Maintenance Services staff's reports on streets in need of repair, especially after a severe rainy season, and public requests for street rehabilitation. The PMP is updated every two years and is a prerequisite for certain funding sources. The industry standard practice recommended by MTC is that a minimum of 15% of funding be spent on preventive maintenance and a maximum of 85% on pavement rehabilitation. The City improves on this standard with a minimum of 20% spent on preventive maintenance and 80% on pavement rehabilitation. The City has invested heavily in paving industrial streets in the last few years including additional industrial sections that are planned to be repaved this summer. The City has paved almost all streets in poor condition in industrial areas so starting next year and beyond, the City investment in industrial streets will be lower. Additionally, in 2014, City Council approved the Economic Development Strategic Plan, which recommended additional improvements be made to streets in the Industrial area. Approximately 15% to 20% of the overall paving budget is allocated to improvements in that area. Staff also has an internal policy to allocate at least 10% of the overall paving budget to roads with a Pavement Conditions Index (PCI)<sup>4</sup> of less than 30.

The table below shows the City's historical PCI for the last ten years. It is measured on a scale of 0 to 100, where 100 means a newly paved road. Both last year's PCI of 76 and the three recent year average of 73, are the highest scores in more than a decade.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pavement Conditions Index (PCI)	67	70	71	70	70	69	70	67	70	73	76

### Municipal Facility Improvements

The "Municipal Facility Improvements" category includes projects that involve improvements to existing municipal buildings and construction of new municipal buildings. One major project included in this category is the Public Safety Center (PSC) – Conceptual Facility and Site Design. The existing Hayward Police station no longer meets the space, operational, staffing and security requirements for the Hayward Police Department (HPD). Built in 1975, the existing facility is near the end of its useful life and functionally obsolete. The facility is undersized, poorly configured, outdated, and requires security and technology improvements to meet HPD's current needs. The police department headquarters building currently includes a temporary holding facility. The conceptual facility and site design for a new PSC will need to encompass not only current HPD staffing, but it will also need to be designed and built to accommodate future growth. There is also

<sup>4</sup> <https://mtc.ca.gov/operations/programs-projects/streets-roads-arterials/pavement-condition-index>

the desire for increased services from the Youth and Family Services Bureau that must be included in the new Public Safety Center. Animal Services, currently located at the City's Corporation Yard, should also be added to the campus for a more centralized location for all safety-related services. The Crime Scene Technician (CST) Lab should also be integrated into the new PSC. Consequently, satellite police related campuses could eventually be repurposed for other critical City services as all police department related services could be relocated to the new Public Safety Center. All of these options will need to be analyzed for possible inclusion in the conceptual facility and site design plan.

The City's Corporation Yard, used by both the Maintenance Services Department and Public Works & Utilities Departments is old and outdated. A new project will assess the space and facilities needs for the foreseeable future as the basis for the design of the new facilities. This project is reconfiguring the usable space more efficiently, replacing outdated infrastructure installed several decades ago, and making improvements to meet ADA compliance. The project scope will also improve ventilation and modernize the facilities to support adequate social distancing in an effort to reduce transmission of the COVID virus in the workplace.

### Sewer System Projects

The "Sewer Systems" category includes projects which are Enterprise Fund-supported, and which are related to the improvement of the City's sewer collection system, water re-use efforts, and Water Resource Recovery Facility (WRRF), formerly known as Water Pollution Control Facility (WPCF).

The City's sewer line replacement projects are examples of key projects in this category. They typically involve the replacement of pipelines that are showing signs of age, or the upsizing of undersized mains to increase their conveyance capacity to handle current and future flows. With an ambitious goal of replacing an average of 2 miles of sewer mains annually, the proposed CIP recommends \$7 million in funding for the FY26 Sewer Line Replacement Program.

Other projects in this category include those related to the WRRF Phase II Improvements, which have been established following the recent development of a Facilities Plan Update, which is intended to guide the plant's infrastructure and technology needs for the next twenty years. The Phase II Facilities Plan addresses future regulatory requirements restricting discharge of nutrients to the Bay. Although the San Francisco Bay has not been adversely impacted by nutrient loading, discharge of nutrients is a growing concern and, as a result, recent requirements have been developed regulating the discharge into the Bay.

The final plan update was completed in June 2020 and in Spring 2022, Staff began working with a consultant for the design work to implement the identified improvements. In addition to the design and construction of the Phase II WRRF Upgrade, the project includes a new administration building and laboratory, as well as other related improvement needs. The total cost of the Project is estimated at \$498 million, including capital costs, contingencies, and financing costs. As part of the funding strategy, Staff has successfully

obtained the USEPA Water Infrastructure Finance and Innovation Act (WIFIA) loan and issued the 2025 Wastewater Revenue Bonds in Spring 2025, providing funding for 49% and 26% of the total project cost respectively. However, as of this writing, final approval of the WIFIA borrowing has not been issued by the USEPA. In addition to WIFIA funding, and a first series of revenue bonds, staff plans to request to sell another series of municipal bonds in 2027 to help finance the remaining cost of project. Staff plans to request an increase to the sewer system replacement budget in future years to provide adequate funding to meet the goal of replacing 2 miles of sewer pipeline annually, in addition to all other replacement and maintenance needs.

### Recycled Water Projects

The Recycled Water Projects are also included in the Sewer Systems category. These projects are intended to improve the City's overall water supply reliability and conserve drinking water supplies through the delivery of tertiary treated recycled water to sites near the WRRF for landscape irrigation and industrial uses. Construction of the storage tank, pump station, and distribution pipelines for the system was completed in FY20. Construction of the treatment facility was completed in Summer 2020, and recycled water deliveries to the first phase of customers began in March 2022. Staff is currently developing a Recycled Water Master Plan to guide design and construction efforts for Phase II of the Recycled Water Program. Phase II will involve increasing the recycled water customer base, which will require designing and constructing an expanded treatment facility to meet the increased demand.

### Water Systems Projects

"Water System Projects" are Enterprise Fund-supported and are related to the improvement of our water system, as well as projects which promote water conservation. One key program in this category is the Cast Iron Water Pipeline Replacement Program. Over the next ten years, the City will annually replace existing cast iron pipes that are either reaching the end of their practical useful life, as evidenced by the frequency of the main and service connection breaks and leaks, or they are hydraulically undersized. The Recommended CIP includes \$500,000 in annual programming to support this effort.

The FY26 Annual Line Replacement Program is another key Water Systems project, which involves the replacement of existing water mains to provide adequate capacity for fire flow and to maintain the operability of the water distribution system. Water mains are selected for a variety of reasons including having exceeded service life, frequency of breaks, and/or upgrades needed for supply reliability. With a goal of replacing an average of 2 miles of water pipeline annually, the proposed CIP includes \$6 million in funding for the FY26 Annual Line Replacement Program. This level of transfers does not provide adequate funding to meet the goal of replacing 2 miles of water mains per year in addition to all other replacement and maintenance needs. Staff plans to request increasing the water system replacement budget in future years.

### Fleet Management

The “Fleet Management” category is comprised of projects involving the replacement of fleet units in various departments, divisions, and work groups. Fleet purchases benefiting the Fire and Police departments are predominantly funded by transfers from the General Fund, while fleet purchases benefiting the Airport, Stormwater, Sewer, and Water divisions are predominantly supported by Enterprise funding. Approximately \$2.2 million in FY26 Fleet Management category projects are included in the proposed CIP, and involve projects supporting General Fund fleet replacement efforts, Enterprise Fund-supported fleet replacement efforts, and Electric Vehicle Infrastructure efforts.

The City maintains a fleet of approximately 450 vehicles and equipment units, and the useful life of these fleet units is maximized and managed via the 10 Year Fleet Capital Replacement Plan. The plan identifies replacement timelines based on age, mileage, maintenance, and safety. When it comes time to retire a unit, carbon emissions are a key consideration. This is in alignment with the City's Strategic Roadmap "Confront Climate Crisis & Champion Environmental Justice" Priority Project to transition 15% of total City fleet to EV/hybrid models.

Following a successful pilot program in FY21, Fleet Management adopted a new standard for Hayward Police Patrol Vehicles in which all replacement purchases will be hybrid-powered models. In FY22, a total of ten hybrid patrol cars were ordered to replace vehicles that have reached the end of their useful life, and an additional nine were ordered in FY23. Once received and placed into service, the fleet vehicle matrix will consist of 18% EV/hybrid units.

The Citywide EV Charging Projects are another key group of projects in this category. A recent report by Ava Community Energy provided an analysis of the charging infrastructure that will be needed to electrify the City's 129 light duty, non-emergency, fleet vehicles. The report concluded the City will need fifty-four Level 2 chargers (40 Amps each) and four Direct Current Fast Chargers (80 Amps or more) installed across eleven City facilities. Staff is currently preparing an assessment of charging needs for City employees. Installation of charging infrastructure for the City's fleet and employees will begin after the assessment is completed.

Staff is also working with Ava Community Energy to install one to three fast charging hubs for electric vehicle charging. Hubs would serve the public but would be sited to also serve residents of multi-family properties, many of which are older buildings that lack the infrastructure needed to support EV charging.

### Equipment and Software

The “Equipment and Software” category is predominantly comprised of equipment-related purchases supporting the Fire, Police, Maintenance Services, Public Works & Utilities, and Information Technology Departments, such as the purchase of Fire Department radios,



purchase of fleet cameras, and replacement of aging fiber optic lines between City facilities. The recommended FY26 CIP includes programming of approximately \$5.4 million in this category.

### *Airport*

This category encompasses all projects related to the improvement of the Hayward Executive Airport (HWD), the City's self-supporting general aviation reliever airport which encompasses nearly 500 acres. One key project in this category is the Sulphur Creek Mitigation – Design and Construction Project, which involves the installation of box culvert to place portions of Sulphur Creek underground adjacent to airport runways. These areas were identified by the local Runway Safety Action Team as a safety hazard. The project is designed to eliminate open ditches and create a flat surface near the runways. This will prevent damage to aircraft that veer off the runway pavement. Implementation of this project has been delayed due to the issues related to inter-agency agreement related to location of a suitable environmental mitigation site, and the project is anticipated to begin after Fiscal Year 2025. The project includes a total budget of \$8.3 million, which is being provided by the Federal Aviation Administration (FAA), Caltrans Division of Aeronautics, and the City's Airport Enterprise fund.

Other key Airport projects include the Taxiway Zulu West Pavement Rehabilitation and Construction project and Taxiway Alpha Design and Phasing Plan. Both projects will involve the removal and replacement of pavement on Taxiway Zulu West and Taxiway Alpha 1. Both taxiways are in need of repair due to normal wear. Both projects are also recommended in the 2002 Airport Master Plan will ultimately help facilitate the removal and replacement of pavement on the taxiways.

### *Miscellaneous*

The "Miscellaneous" category includes projects which do not neatly fit into the other categories. Projects include the Comprehensive General Plan Update, Property Acquisition Management, Route 238 Property Projects, and Parcel Group Projects. The Parcel Group projects, which are currently budgeted at \$585,000 combined in FY26, are used to facilitate the new cohesive development of former Caltrans 238 property parcels with the goals of eliminating blight, creating public benefits for the community, and generating excess land value to the City.

### *Identified and Unfunded Capital Needs*

The last section of the Recommended FY26 – FY35 CIP is the Identified and Unfunded Capital Needs section. This list was last significantly modified for the FY16 CIP to remove projects that were funded with Measure C fund, like improvements to Fire Stations 1-6, construction of the new Library and Community Learning Center, or funded by

transportation related Alameda County Measure BB Fund, like \$1 million per year for paving improvements. A significant reduction occurred with street and transportation-related projects, due to the passage of Measure C, Measure BB, and the state legislation Road Repair and Accountability Act (RRAA) (SB1).

While the approval of Measure C allowed the City to address many critical facility needs (e.g., the new Library, upgrades to Fire Stations, and the new Fire Training Center), significant needs still exist. The facility update to the City's Corporation Yard (Corp Yard) is one such capital need that remains unfunded. The Corp Yard is comprised of six buildings on Soto Road which were originally constructed in the early 1980s and are in need of major improvements. The necessary improvements to the Corp Yard were estimated to amount to more than \$140 million. The FY26 CIP included a "Corporation Yard Needs Assessment" Project, which is funding the development of a revised assessment to determine the current improvement needs and update costs.

Another significant need included in the Unfunded Capital Needs list as part of the Recommended CIP is the South Hayward Youth and Family Center, which currently has an unfunded need of an estimated \$25,000,000 for the future phases of the project.

Unfunded Capital Needs are generally broken down into the following categories:

Information Technology:	\$1,100,000
Street Improvement:	\$11,500,000
Airport:	\$43,000,000
Alternate Modes:	\$60,000,000
Interchange:	\$74,500,000
Pavement Maintenance:	\$142,000,000
Facilities and Improvement:	<u>\$377,000,000</u>
Total:	\$709,100,000

It is important to reiterate that this list identifies critical needs that have, as of now, no identified funding sources. The number of projects will continue to grow over time, as will the amounts needed to fund these extremely important upgrades and repairs to infrastructure and equipment.

## **ECONOMIC IMPACT**

The direct economic impact of these projects is not quantifiable. However, maintaining and improving the City's infrastructure municipal buildings and facilities, fleet, and equipment will have an unquestionable impact on maintaining and improving economic health and vitality of the City. It is also important to note that capital projects are identified and prioritized with an emphasis on eliminating geographic inequities in the distribution of City services and infrastructure. Highest priority is given to areas in the community which have experienced a disproportionate level of improvements in past years, as well as those communities with the current highest need.

## FISCAL IMPACT

The capital budget for FY26 totals approximately \$161 million, with a total of approximately \$1.3 billion tentatively programmed for the entire ten-year period from FY26 through FY35. An additional \$709 million of unfunded needs have been identified for the same period.

Four of the twenty-three CIP funds rely on some transfers from the General Fund for project expenses. The following table reflects the proposed General Fund transfers to these four funds when compared to FY25.

CIP Fund	FY 2025 GF Transfer	FY 2026 GF Transfer	Increase / (Decrease) from FY 2025
405/Capital Projects (General)	\$500,000	\$2,100,000	\$1,600,000
460/Transportation System Improvement	\$0	\$800,000	\$800,000
726/Facilities Management Capital	\$425,000	\$95,000	(\$330,000)
731/Information Technology Capital	\$1,248,000	\$50,000	(\$1,198,000)
Total Cost to General Fund	\$2,173,000	\$3,045,000	\$872,000*

*\*As of this Writing; Subject to Change*

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 FY26 are shown below.

CIP Fund	FY 2025 ISF	FY 2026 ISF	Increase / (Decrease) from FY 2025
726/Facilities Management Capital	\$450,000	\$450,000	\$0
731/Information Technology Capital	\$850,000	\$850,000	\$0
736/Fleet Management Capital (General Fund)	\$1,450,000	\$2,100,000	\$650,000
737/Fleet Replacement (Enterprise Funds)	\$156,000	\$506,000	\$350,000
Total ISF	\$2,906,000	\$3,906,000	\$1,000,000*

*\*As of this Writing; Subject to Change*

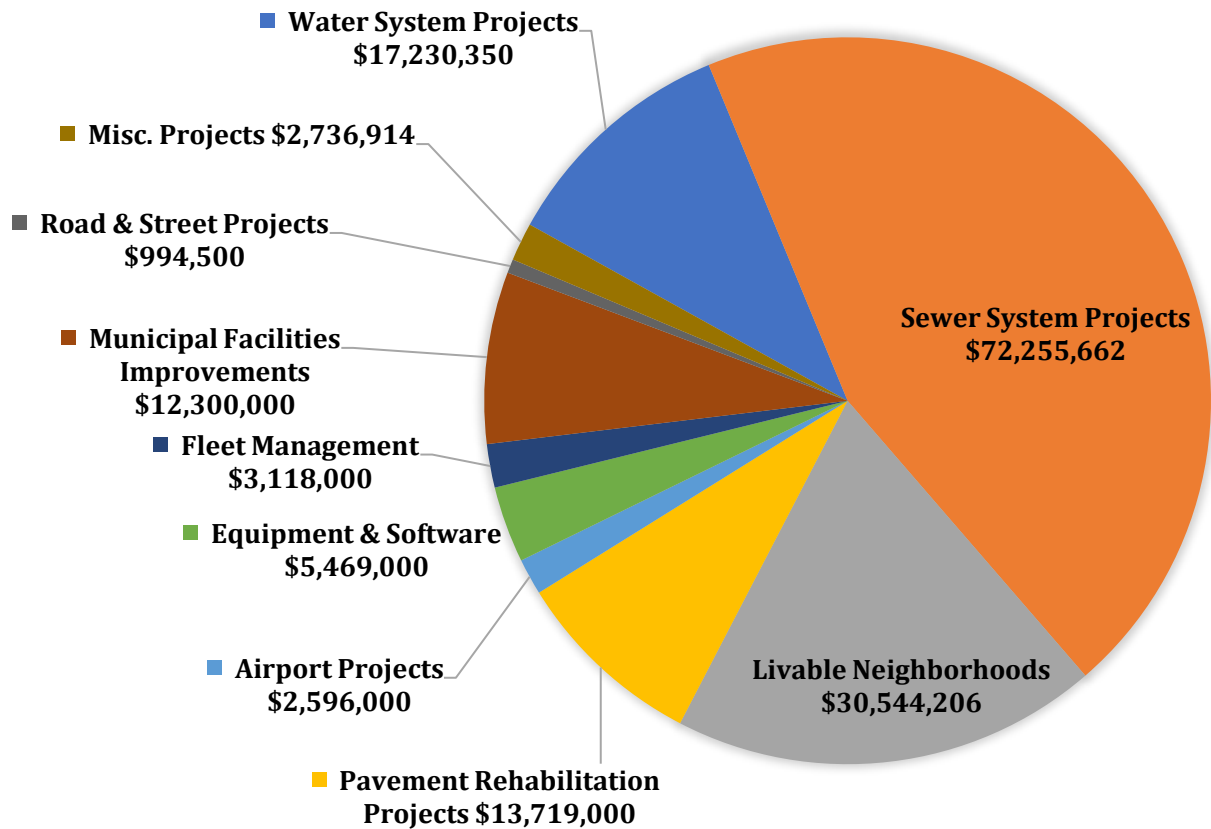
As displayed in the tables above, there is an overall increase of \$872,000 in proposed FY26 General Fund transfers when compared to FY25, and an increase of \$1,000,000 in proposed FY26 ISF. It is important to note that some of the ISF referenced above have General Fund impacts, as many Departments paying ISF are funded by the General Fund.

Fund 736 for General Fund Fleet Replacement, for instance, supports fleet replacement efforts for the Fire Department, Police Department, and other General Fund-funded departments, and therefore has a direct General Fund Impact.

*Project Cost by CIP Category*

The proposed project costs by CIP category are as follows:

<b>Project Category</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Recommended</b>	<b>Increase/ (Decrease) from FY 2025 CIP</b>
Water System Projects	\$43,808,638	\$17,230,350	(\$26,578,288)
Sewer System Projects	\$39,262,508	\$72,255,662	\$32,993,154
Livable Neighborhoods	\$34,302,028	\$30,544,206	(\$3,757,822)
Pavement Rehabilitation Projects	\$14,328,000	\$13,719,000	(\$609,000)
Airport Projects	\$7,692,000	\$2,596,000	(\$5,096,000)
Equipment & Software	\$5,635,208	\$5,469,000	(\$166,208)
Fleet Management	\$3,514,000	\$3,118,000	(\$396,000)
Municipal Facilities Improvements	\$4,235,000	\$12,300,000	\$8,065,000
Road & Street Projects	\$4,167,000	\$994,500	(\$3,172,500)
Misc. Projects	\$1,563,000	\$2,736,914	\$1,173,914
<b>Total Capital Improvement Projects</b>	<b>\$158,507,382</b>	<b>\$160,963,632</b>	<b>\$2,456,250</b>

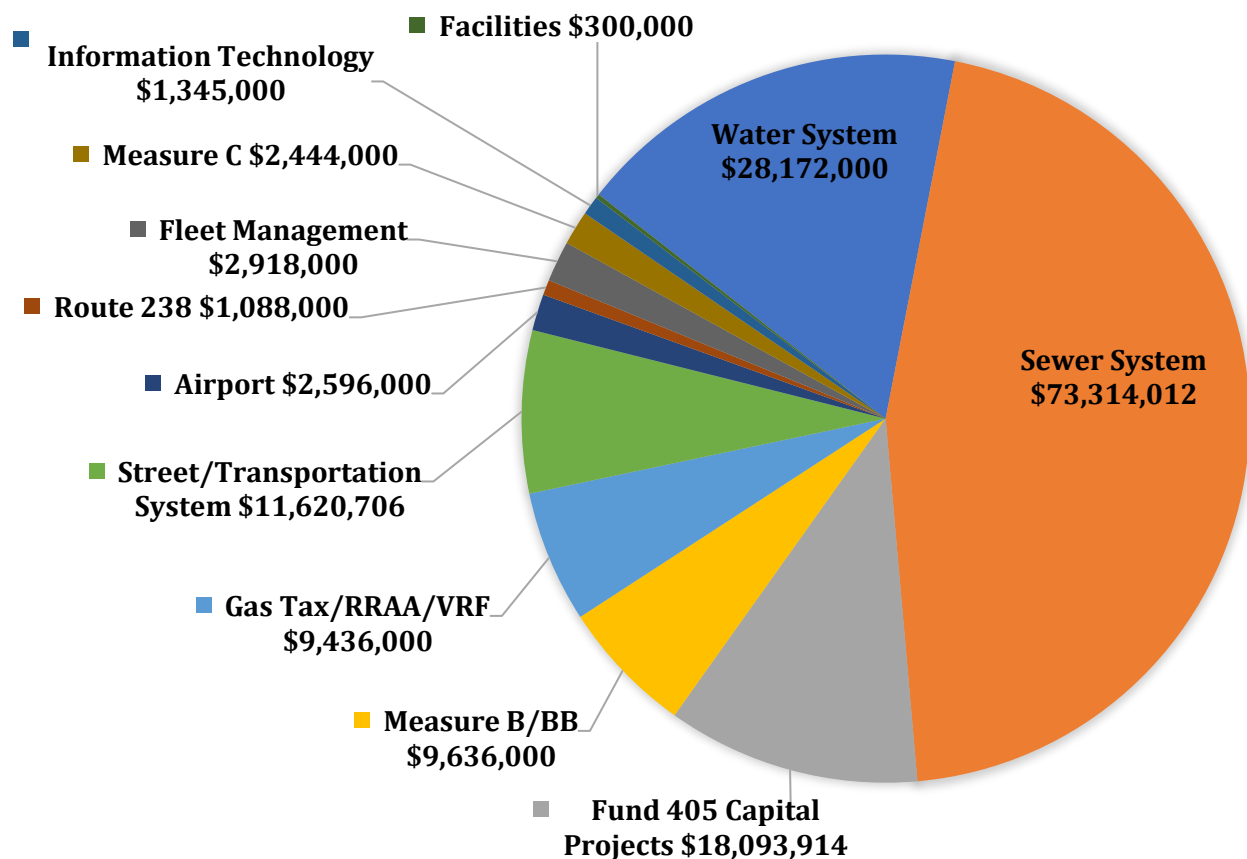


### Project Cost by CIP Fund

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

CIP Fund	FY 2026 Recommended
(210) Special Gas Tax	\$3,736,000
(211) RRAA (SB1)	\$5,300,000
(212) Measure BB - Local Transportation	\$6,906,000
(213) Measure BB - Ped & Bike	\$2,385,000
(215) Measure B - Local Transportation	\$237,500
(216) Measure B - Ped & Bike	\$107,500
(218) Vehicle Registration Fund	\$400,000
(219) Measure BB - Paratransit	\$0
(405) Capital Projects	\$18,093,914
(406) Measure C Capital	\$2,444,000
(410) Rte. 238 Corridor Improvement	\$50,000
(411) Rte. 238 Settlement Admin	\$1,038,000
(450) Street System Improvements	\$4,218,000
(460) Transportation System Improvements	\$7,402,706

(603) Water Replacement	\$7,445,000
(604) Water Improvement	\$20,727,000
(611) Sewer Replacement	\$14,701,000
(612) Sewer Improvement	\$58,613,012
(621) Airport Capital	\$2,596,000
(726) Facilities Capital	\$300,000
(731) Information Tech Capital	\$1,345,000
(736) Fleet Management Capital	\$2,271,000
(737) Fleet Management Enterprise	\$647,000
<b>Total</b>	<b>\$160,963,632</b>



## STRATEGIC ROADMAP

The Strategic Roadmap adopted in 2024 is at the forefront of the City's capital project planning efforts, and each CIP project is evaluated for consistency with the City's Strategic Priorities.

The Recommended CIP Projects predominantly support the Invest in Infrastructure Priority; however, they also touch the Confront Climate Crisis & Champion Environmental

Justice, Enhance Community Safety & Quality of Life, Grow the Economy, and Strengthen Organizational Health Priorities.

## **SOCIAL EQUITY**

Consideration of social equity has been an important element of selecting certain projects, such as roadway improvements, sidewalk improvements, traffic calming, complete streets, and landscaping.

## **SUSTAINABILITY FEATURES**

While the proposed projects are aligned with and advance the City Council's Sustainability goals and policies, the action taken for this agenda report will not result in a physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon a future City Council action. Sustainability features for individual CIP projects are listed in each staff report.

## **PUBLIC CONTACT**

The public has the opportunity to review and comment on the CIP at this evening's City Council Work Session and will again at the City Council Public Adoption Hearing, which has been tentatively scheduled for June 3, 2025.

Staff presented the Recommended FY26 – FY35 CIP to the Planning Commission at their April 10, 2025<sup>5</sup> meeting, at which the Commission unanimously found that the CIP was consistent with the Hayward 2040 General Plan. A notice advising residents about the Planning Commission Public Hearing on the CIP was published on March 28, 2025 in The Daily Review newspaper. On April 23, 2025<sup>6</sup>, staff presented the Recommended FY26 – FY35 CIP to the CIAC for review and input at which the Committee recommended the CIP's adoption to Council. Another Public Notice will be published in the Daily Review newspaper at least ten days in advance of the Council Public Adoption Hearing on June 3, 2025. A copy of the Recommended CIP is made available online at [www.hayward-ca.gov/CIP](http://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 both [Libraries](#)<sup>7</sup>. Individual projects receive Council approval and public input as appropriate.

## **NEXT STEPS**

Once City Council has reviewed and offered comments on the Recommended CIP, the appropriate updates will be made. The Council Public Hearing for the adoption of the CIP budget is currently scheduled to take place on June 3, 2025. A notice 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.

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<sup>5</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=7290582&GUID=D34595D1-4820-4915-BD02-6475D544FACC&Options=&Search=>

<sup>6</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=7349698&GUID=B3C82891-22C3-4ED3-B201-6B8EE9EDFB44&Options=&Search=>

<sup>7</sup> <https://www.hayward-ca.gov/public-library>

*Prepared by:* Marissa Matta, Management Analyst

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'Dr. Alvarez', written over a horizontal line.

Dr. Ana M. Alvarez, City Manager