

**CITY COUNCIL  
MEETING**

**APRIL 1, 2025**

**PRESENTATIONS**

**Item #5**

**WS 25-015**

**Community  
Agency Funding**

# **FY 2025-2026 Community Agency Funding Recommendations & Consolidated Plan**

**City Council Work Session  
April 1, 2025**

Amy Cole-Bloom, Community Services Manager  
Emily Hwang, Management Analyst



# FY 2026-2029 Consolidated Plan

- Framework for identifying housing and community development needs and priorities through community engagement
- Guides the City's federal CDBG entitlement investment decisions for FY26 through FY29
- Priority needs:
  - Expand & Improve Public Infrastructure & Facilities
  - Preserve, Protect, and Produce Housing Stock
  - Public Services & Quality of Life Improvements
  - Economic Development

# Funding Recommendations



## Economic Development and Infrastructure (CDBG)

- 4 full funding
- 3 partial funded
- 1 not recommended funding



## Public Services (CDBG)

- 1 full funding
- 5 partial funding
- 1 not recommended funding



## Social Services (General Fund)

- 2 full funding
- 19 partial funding
- 13 not recommended funding



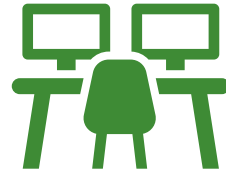
## Arts & Music (General Fund)

- 3 full funding
- 7 partial funding
- 1 not recommended funding

# Identified Challenges



**50% of applicants  
dedicate over 16  
hours to the  
funding process**



**Weekend  
interviews are not  
preferred**



**Review processes  
lack consistency  
and transparency**



**Unclear priorities  
in decision-making**

# Staff recommended changes to CAF

Two main goals: 1) Reduce agency burden and 2) increase transparency and objectivity

- **Transition to two-year funding cycle**
- **Establish a separate Arts & Music funding process**
- **Align decision-making with City Council priorities and community need**
- **Increase decision-making transparency and objectivity through rubric use and publication of scores**

# Discussion & Next Steps

## Discussion Process

1. Public comment
2. Council questions and discussion
  - Funding recommendations
  - CAF changes
    - General feedback
    - Affirmation of funding priorities

## Next Steps

- **April 4, 2025 – May 4, 2025: Public Comment Period**  
Submit comments to Emily Hwang at [emily.hwang@hayward-ca.gov](mailto:emily.hwang@hayward-ca.gov)
- **Tuesday, April 22, 2025: Public Hearing**
- **May 15, 2025: FY 2026-2029 Consolidated Plan submission**



**Item #6**

**WS 25-016**

**Water and Recycled  
Water**

# City of Hayward

## Recommended Water and Recycled Water Rates and Connection Fees

### City Council Work Session

Alex Ameri, Director of Public Works

April 1, 2025





# Water Rate Overview

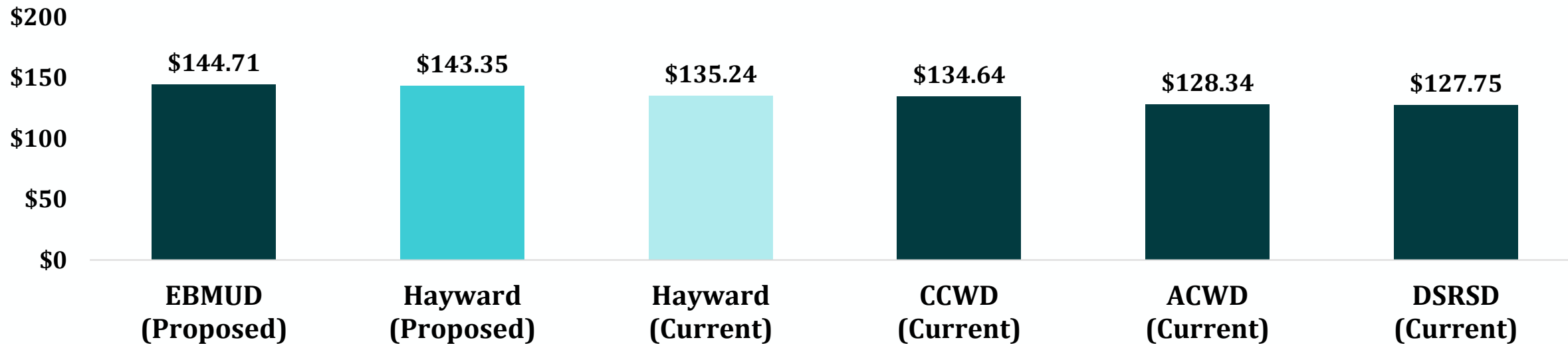
- Pay for purchase and distribution of water
  - Service Fee - fixed
  - Water Usage Charge – variable, based on amount of water used
- Financial Drivers
  - Wholesale Water Purchase Costs
  - Capital Replacement Fund
  - Reserve Funding

# Proposed Bi-Monthly Service Charges

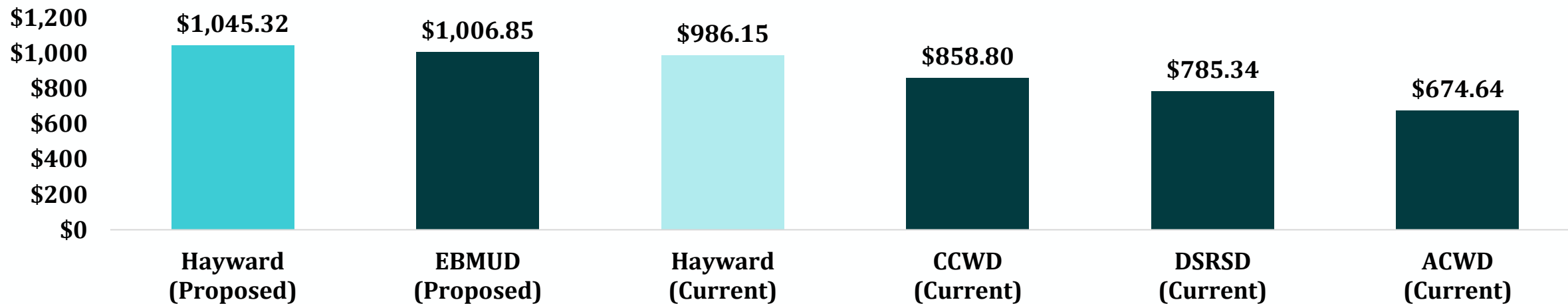
Meter Size	Current FY 2025	Proposed FY 2026	Proposed FY 2027
5/8 inch	\$39.00	\$41.34	\$43.82
<i>5/8 inch – low income residential</i>	<i>\$13.66</i>	<i>\$14.48</i>	<i>\$15.35</i>
3/4 inch	\$54.41	\$57.67	\$61.13
<i>3/4 inch – low income residential</i>	<i>\$19.06</i>	<i>\$20.20</i>	<i>\$21.41</i>
1 inch	\$85.25	\$90.37	\$95.79
<i>1 inch – low income residential</i>	<i>\$29.85</i>	<i>\$31.64</i>	<i>\$33.54</i>
1 1/2 inch	\$162.34	\$172.08	\$182.40
2 inch	\$254.85	\$270.14	\$286.35
3 inch	\$547.77	\$580.64	\$615.48
4 inch	\$979.46	\$1,038.23	\$1,100.52
6 inch	\$2,012.41	\$2,133.15	\$2,261.14

# Water Bill Comparisons – Local Agencies

## Single Family Residential Bill for 12 ccf (Local Non-SFPUC Agencies)



## Commercial Bill for 110 ccf (Local Non-SFPUC Agencies)

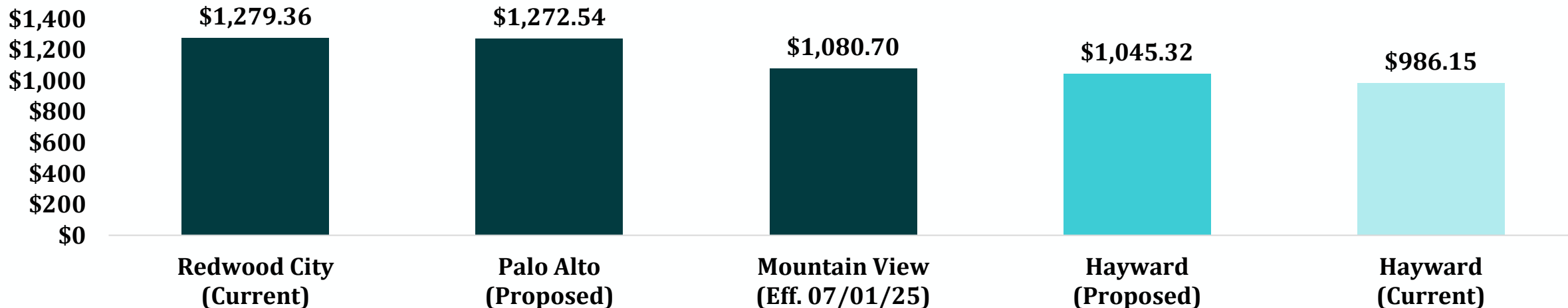


# Water Bill Comparisons – SFPUC Customers

## Single Family Residential Bill for 12 ccf (SFPUC Wholesale Agencies)



## Commercial Bill for 110 ccf (SFPUC Wholesale Agencies)





# Water Costs for Everyday Activities

- 1 load of laundry: 24¢
- 8-minute shower: 19¢
- 1 toilet flush: 2¢
- 1 gallon of drinking water: 1.6¢



# Recycled Water Overview

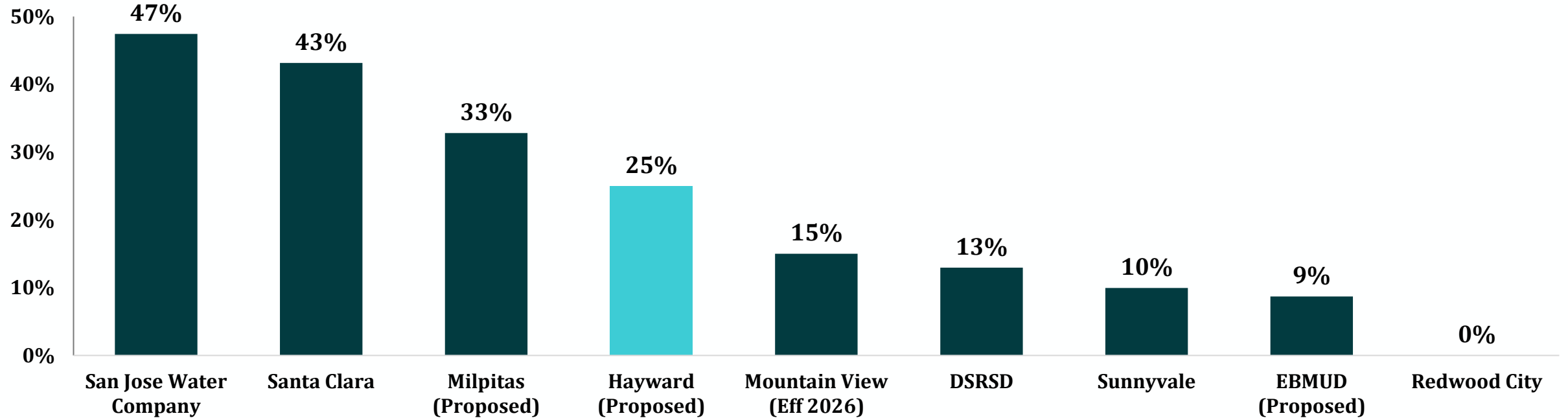
- Pay for purchase and distribution of recycled water
  - Service Fee – fixed
  - Recycled Water Usage Charge – variable, based on usage





# Recycled Water Usage Rate Comparison

Difference between Non-Residential/Irrigation Potable vs. Recycled Water Usage Rate



	Bi-Monthly Tiers (ccf)	Current	Rate/ccf Oct 1, 2025	Rate/ccf Oct 1, 2026
Tier 1	1 – 170 ccf	\$7.44	\$7.70	\$8.16
Tier 2	>170 ccf	\$7.44	\$9.80	\$10.39

# Water Facilities Fees

Agency	Water Facilities Fee (1" meter)
Palo Alto	\$6,250
Mountain View	\$13,941
Redwood City	\$14,198
<b>Hayward (Current)</b>	<b>\$17,831</b>
<b>Hayward (Proposed)</b>	<b>\$19,614</b>
ACWD	\$24,405
EBMUD (1)	\$44,649
Contra Costa Water District	\$60,920
DSRSD (2)	\$133,687

(1) Water Connection Fee for Region 2, Castro Valley Area

(2) DSRSD Water Capacity Fee includes fee for both water distribution services and Zone 7 water treatment services.

# Schedule

Work Session: April 1

Proposition 218 notices mailed by: April 18

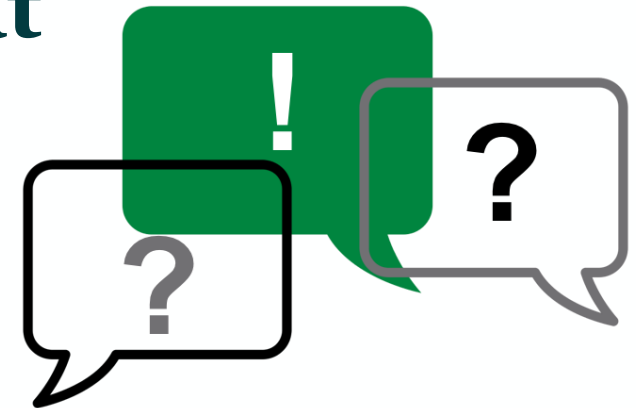
Public Hearing and adoption of rates: June 17

Effective dates:

- › Utility Rates: October 1, 2025 & October 1, 2026
- › Connection Fees: September 1, 2025 & September 1, 2026

## Work Session Format

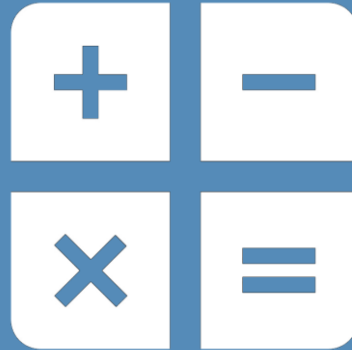
1. Public comments
2. Council questions & discussion



**Item #7**

**PH 25-013**

**City Master Fee  
Schedule**



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# Master Fee & Fine and Bail Schedule Schedule Fiscal Year 2025-26

# Fee Compliance

▶ All fees have been reviewed to ensure compliance with:

▶ Prop 26 – November 2010

▶ Assures that taxes are not disguised as fees: taxes must be approved by voters whereas legislative bodies, such as a City Council, can approve fees.

▶ Prop 218 – November 1996

▶ Requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

▶ CEQA

# Key Factors for Changes in FY 2025-26



A portion of the changes included in the master fee schedule for adoption have been previously approved by resolution.



Fee increases to achieve full cost recovery in services provided.



Fee increases or additions governed by outside agencies.

# Notable Changes



Review of Ministerial Planning Applications (new)



Increase Parking Fees (update)



Add California Vehicle Code (CVC) 22500  
(Daylighting Law) (new fee)



# Recommendation



That the City Council...

Adopts a resolution approving the Fiscal Year 2025-26 Master Fee Schedule and finds the action exempt from CEQA review.

# Discussion & Questions



**Item #8**

**PH 25-014**

**Agreement with  
Syserco Energy  
Solutions**



# *Energy Conservation & Infrastructure Improvement Project*



# BACKGROUND

- Funding opportunity through PG&E pays for 95% of project costs for comprehensive energy conservation measures such as HVAC, lighting/controls, EMS
- "Self-Funding" = Savings pay for all aspects of the project- minimal capital required
- City engaged Syserco Energy Solutions - Investment grade audit and assist with final project development
- PG&E has approved the (13) facility project for funding

## FUNDING OVERVIEW: PG&E's

### "ON-BILL FINANCING" (OBF)



- ✓ Approved funding amount for project = \$2,087,504
- ✓ Funds 95% of project costs for City's energy efficiency project
- ✓ 0% interest, no fees, and the loan balance appears on PG&E bill
- ✓ All aspects of project paid for with the realized energy savings
- ✓ Funds comprehensive projects that have 10-Year simple payback or less

# PROCESS ROADMAP & TIMELINE

## PROJECT DEVELOPMENT

- 2023 to Present

## COUNCIL CONSIDERATION AND APPROVAL

- Tonight

## BEGIN PROJECT IMPLEMENTATION

- April 2025

## CONSTRUCTION CONCLUDES

- April 2026

## PG&E VERIFIES COMPLETION & ISSUES LOAN PAYMENT TO RE-PAY MEASURE C FUND

- May 2026

# PROJECT FINANCIALS



Total Project Cost	\$2,196,973
OBF Approved Funding	\$2,087,504
City Capital	\$ 109,468
Y1 Positive Cash Flow	\$ 42,185
Net 15 – Year Savings	\$3,327,317
Net 20 – Year Savings	\$6,209,905





1. City Council approval of energy services agreement and 0% OBF loan agreements
2. Staff execution of loan agreements & energy services agreement
3. Construction starts – April 2025
4. Construction ends – April 2026
5. PG&E verification & loan issuance for Measure C Fund repayment – May 2026



**Item #9**

**LB 25-010**

**2025 WIFIA Loan**



# CITY OF HAYWARD SEWER FUND 2025 WIFIA LOAN

*PRESENTATION TO CITY COUNCIL*

**NHA | ADVISORS**  
Financial & Policy Strategies.  
Delivered.

Christian Sprunger  
Vice President

April 1, 2025

# WIFIA Loan Team

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## City of Hayward

- WIFIA Borrower

## US Environmental Protection Agency (EPA)

- WIFIA Lender

## Brown and Caldwell

- Project Engineer

## NHA Advisors

- Municipal Advisor

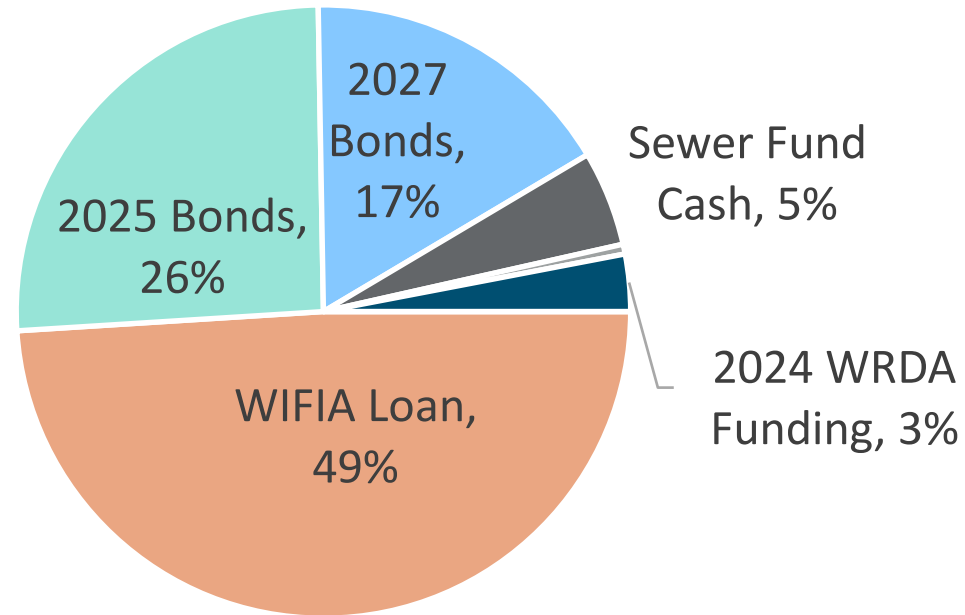
## Jones Hall

- Bond Counsel

## Project Background and Funding Sources

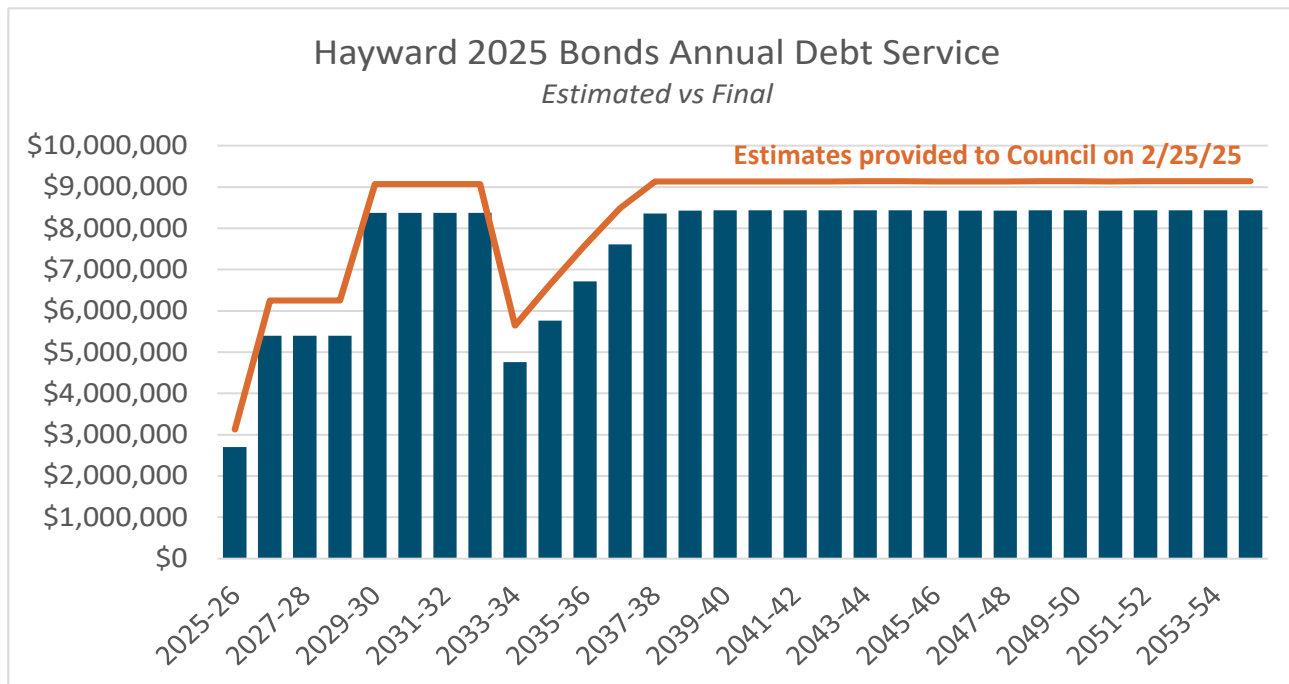
- ▶ City's Water Resource Recovery Facility ("WRRF") Administration & Lab Building Project & WRRF Phase II Projects: \$498M cost
  - ▶ Including all capital costs, contingencies, and financing costs
- ▶ WIFIA Loan funding for 49% of project costs
  - ▶ \$244,139,000 maximum loan size (excluding capitalized interest)
  - ▶ First draws currently expected to occur in Fall 2026
- ▶ City is also funding 26% of costs through 2025 Bonds (approved by Council in February) and ~17% of costs through a future 2027 Bond issuance

***Expected Sources of Project Funding***

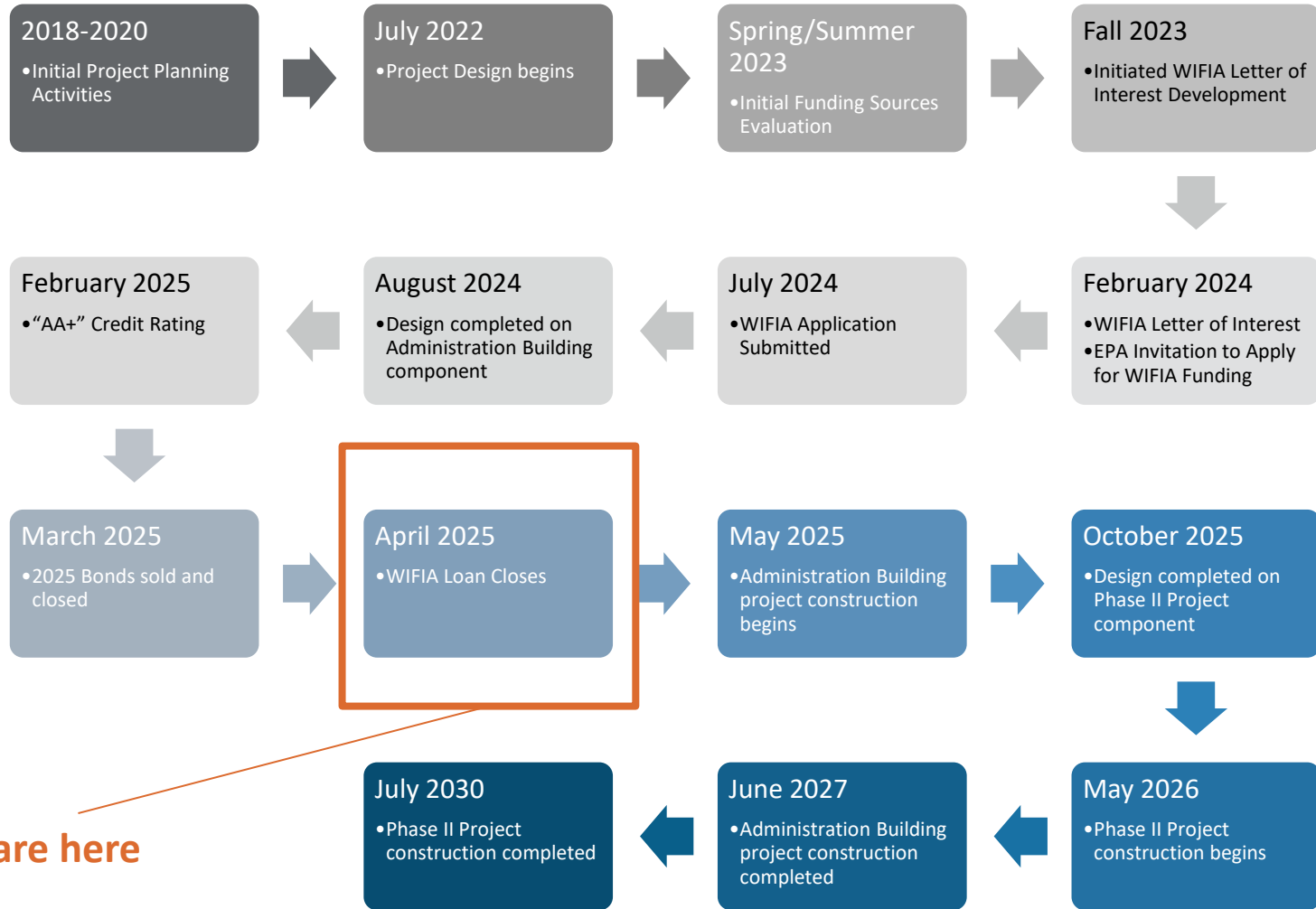


## 2025 Wastewater Bonds – Update

- ▶ City Council approved sale of up to \$135,000,000 in 2025 Wastewater Revenue Bonds (“2025 Bonds”)
  - ▶ Original estimate - True interest cost 4.25-4.50% - Bond principal \$125,000,000
- ▶ Bonds competitively sold on March 11, 2025
  - ▶ 11 bidders; lowest bid true interest cost of 3.96% (Mesirow Financial)
- ▶ Annual debt service will be ~\$735,000 lower than estimated on 2/25/25

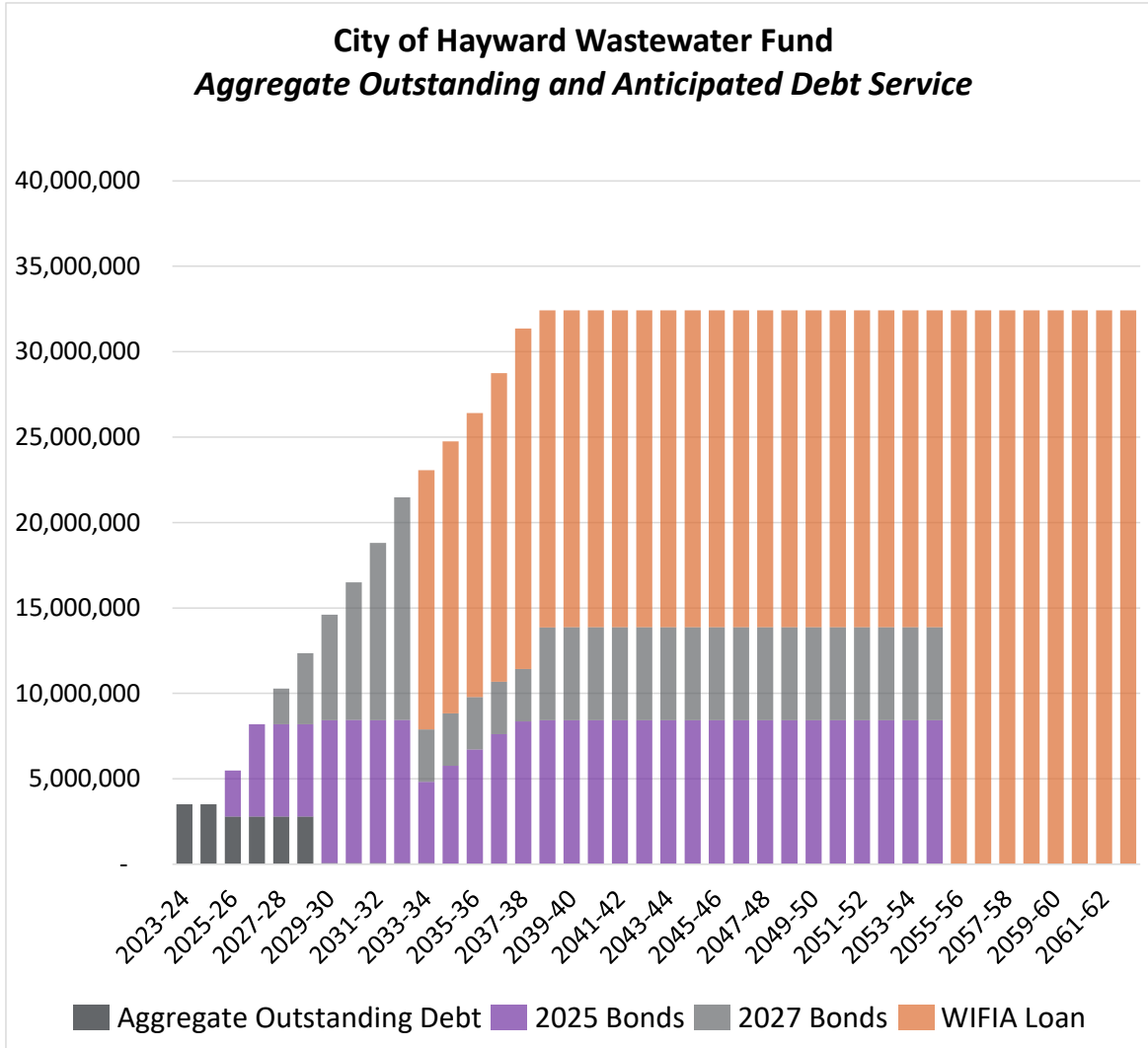


# WIFIA Loan within Context of the Larger Project Timeline



We are here

# WIFIA Loan Structure & Repayment



- ▶ Standard sewer revenue pledge, on parity with existing 2006 SRF loan and 2025 Bonds
- ▶ 2063 final maturity, fixed interest rate, optional prepayment any time after project completion
- ▶ Structured to “wrap around” other debt service to target level aggregate debt service
  - ▶ Less principal paid in early years – higher principal payments (FY 2055/56 – 2062/63)



# WIFIA Loan Considerations and Benefits

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## Interest Rate

- Current (March 2025) 35-year rate ~4.60%
- Rate is not a function of the credit rating

## Interest Rate Reset

- One-time option to reduce the interest rate prior to first loan draw or once the Project exceeds 51% complete

## Draw Schedule Loan

- Interest only accrues on the actual amounts drawn

## Deferred Start of Repayments

- Not required to make WIFIA payments during Project construction and can defer payments up to 5 years after completion
- Accrued interest over that period is added to the loan principal; amortized over loan term

## Long Term

- Up to 40-years available: must be paid off within 35 years of project completion, after accounting for 5-year construction window

## Flexible Structuring

- Loan can be structured in a variety of ways, including back-loading as necessary to wrap around scheduled payments on other debt

## Re-Amortization

- City will have the option to re-structure the WIFIA loan after closing should changes in the financing plan occur



## Early Prepayment

- City can prepay the WIFIA loan at any time after project completion, with no penalty

## Recommendation

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- ▶ That City Council adopts a resolution authorizing the execution and delivery of a WIFIA Loan Agreement in the maximum principal amount of \$244,139,000 to finance capital improvements to the Wastewater System, including the Water Resources Recovery Facility improvements, and approving related agreements and actions

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- 
- City Council Questions
  - Public Comments
  - City Council Comments and Action

**ANY QUESTIONS?**