

Revenue Measures

Key:

Likely	In-Progress/More Research Needed	Not Recommended
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Idea	Revenue	Notes
Update to UUT Ordinance to capture the use of streaming services	\$750,000 - \$1 million annually in FY27, if legal issues are resolved and \$1.5 - 2 million annually in subsequent years (ONGOING)	Updates to the UUT ordinance are pending second reading. In addition, the issue is still pending before the State Supreme Court. If this revenue is available, staff will initiate collections as soon as possible
Business License Tax Modernization Measure	Potentially \$7.5 million in additional tax revenue annually (ONGOING)	Staff is actively working on this and will present an analysis to Council on 2/28/26. This will require voter approval and cannot be relied upon for balancing this fiscal year budget.
Use of Measure C Funds	\$10 million (ONE-TIME)	\$10 million is roughly the net revenue the City will receive in Measure C in FY27. Staff is recommending temporary use of this source to transition the City to a structurally balanced financial position.
OPEB Trust Reimbursement	\$3 million (ONE-TIME)	Transfer from the OPEB Trust to reimburse the general fund for OPEB costs during FY27.
CDBG Transfer	\$500,000 (ONE-TIME)	Transfer from CDBG to temporarily transition the City to a structurally balanced financial position.
New Data Centers	\$904,000 in FY27; \$2M and increasing in subsequent years. (ONGOING)	Two new data centers are in the development pipeline that could benefit the City's General Fund in future years.
Updates to User-Fee Schedule and Master Fee Schedule	\$1 million (ONGOING)	Staff is actively working on updating cost recovery fees based on updated salaries and user fees based on market comparisons, with a deadline of early spring.

Updates to Cost Allocation and Internal Services	\$500,000 (ONGOING)	All cost allocations are being reviewed to ensure an accurate distribution across funds and inclusion of updated salary and benefits costs, with a deadline of early spring.
Additional Cannabis Revenue	\$400,000 annually (ONGOING)	Estimated additional cannabis revenue based on a new dispensary that is expected to open later in CY2026, although currently subject to litigation, which may delay opening and collection of revenue.
Parking Enforcement Program	To-Be-Determined (ONGOING)	Staff is actively exploring a program to enforce existing time-restricted parking restrictions in the downtown. This is likely to be a cost neutral item covered by citation revenue.
New Business License Compliance and Tax Audit Process	\$100,000 annually (ONE-TIME & ONGOING)	Staff is currently partnering with a new consultant to complete audits of both unlicensed and existing businesses.
Lease or sell underutilized city-owned properties	To-Be-Determined (ONE-TIME)	The City has hired a Real Property Manager and is actively pursuing the sale and/or use of city-owned property as a means for restoring reserves.
Hayward Traffic Code / Hayward Municipal Code Citation Revenue	To-Be-Determined (ONGOING)	Staff is reviewing citation amounts as part of the annual Master Fee Schedule adjustment.
Short-Term Rental Ban Enforcement and Transient Occupancy Tax Collection	\$452,000 annually less \$25,000 for the annual subscription (ONGOING)	Staff is researching the use of new software to enforce the City's ban on short-term rentals and obtain fine and TOT revenue, which is likely to decrease over time. This may adversely impact tenants since 42% of listings are for rooms. Depending on the level of enforcement effort, it could require increase in code enforcement staff time, which is already limited.

Digital Billboards on City Property	\$100,000+ per billboard annually. Hayward has potential for 2-3 billboards. (ONGOING)	This would require an update to City ordinance, work with a consultant, and a partnership with outside advertising agency. If pursued, staff estimates this would take a year or more before revenue is realized.
First Responder's Fee	\$50,000 - \$350,000 annually (after costs) (ONGOING)	Staff is actively researching and will present this idea on 2/28/26. Few non-transport agencies like Hayward charge a first responder fee and with varied results
Illegal Cannabis Grow Fines	To-Be-Determined but Extremely Uncertain (ONE-TIME)	HPD and the City Attorney's Office continue to try to collect illegal cannabis fines. This revenue is uncertain and the legal process can pose a significant staff burden.
Expedited Permit Fee	To-Be-Determined but Minimal (ONGOING)	This fee currently exists but will be further examined as an economic development tool as and as part of Master Fee update. Unlikely to impact revenues significantly.
Grants	To-Be-Determined and Uncertain (ONE-TIME)	Staff continues to pursue grants to offset General Fund costs, such as the FEMA SAFER grant, grants for the LINK program, and grants for the Navigation Center.
Partner With Alameda County for Measure W Funds	To-Be-Determined (ONE-TIME)	City Staff is exploring all opportunities to bring Measure W tax dollars back to Hayward residents.
Support Business Development; Shared Kitchen Space/Incubator; "Red Tape to Green Light" Program	To-Be-Determined (ONGOING)	The Economic Development Division continues to explore incentives and methods to increase business development within Hayward. There may be an initial outlay of funds for these programs.
Need a Plan Around Southland Mall to Engineer Tourism by Implementing Design Guidelines	To-Be-Determined (ONGOING)	Southland Mall was sold to a new operator. Economic Development continues to explore development opportunities.

Require All Development Review Staff Who Review Projects to Charge Time Against the Developer	To-Be-Determined (ONGOING)	Staff is working to develop a policy to ensure time from all staff that review development applications is passed on to the applicant to the extent legally feasible.
Mello-Roos Community Facilities District (CFD)	To-Be-Determined (ONE-TIME & ONGOING)	While not immediately applicable, this could be viable for large-scale public land projects. This is a land-secured financing mechanism to fund infrastructure and/or municipal services that requires a 2/3 vote of property owners.
Establish an Enhanced Infrastructure Financing District (EIFD)	To-Be-Determined (ONE-TIME with Bond Sales & ONGOING with Increased Property Tax Revenue)	This would ultimately reduce General Fund Revenue requiring funds to be directed toward debt service for infrastructure.
Commercial Vacancy Tax	To-Be-Determined. Rate would be set before being presented to voters. (ONGOING)	Based on Oakland's experience, this would require an update to City ordinance and voter approval with significant administrative burden.
Parking Lot Tax	To-Be-Determined, but Minimal (ONGOING)	This would require voter approval and the revenue generated would be minimal. Similar to San Leandro, this could be added as part of the business license tax.
Charge for Downtown Parking	To-Be-Determined, but Minimal (ONGOING)	Staff is exploring enforcing time-limited parking in the downtown. Based on experiences from other cities, charging for parking generates minimal revenue, increases in staff time, and disincentivizes customers from visiting downtown shops.
Fossil Fuel Tax/Carbon Tax	To-Be-Determined. . (ONGOING)	This requires voter approval and comes with the risk of loss of revenue as customers and businesses shop outside of Hayward city limits.
Land Value Tax	No New Revenue Potential (ONGOING)	This is illegal in California.

Allow More Casinos in Hayward	No New Revenue Potential (ONGOING)	In 2023, Governor Newsom signed AB341, which instated a moratorium on new card rooms in California until January 1, 2043.
Increase False Alarm Fees	To-Be-Determined, but minimal (ONGOING)	Hayward Police is recovering full-cost and Hayward Fire is currently revising their false alarm policy. Based on recent call data, any additional revenue will be minimal.
Tree Planting Sponsorships	To-Be-Determined, but minimal (ONGOING)	The City has an active “Free Tree” program. A sponsorship program would at best be a a net-zero proposition with the cost of the tree, water, and maintenance are included.
Rental Strategies for Heritage Plaza	To-Be-Determined, but minimal (ONGOING)	Rental of the rotunda was stopped due to maintenance and cleanup costs, which would also be a concern for Heritage Plaza. The impact on Library Staff due to use of library restrooms is considerable regardless of whether portable toilets are provided. There is an opportunity to partner with DHIA to reduce burden on the Maintenance Services Department.
Review Investment Management to Increase Interest Income with Other Funds, such as California Asset Management Program (CAMP)	To-Be-Determined (ONGOING)	The City reviews potential increases in investment income quarterly and does currently hold funds at CAMP. Investment income has declined in the General Fund due to the lack of cash reserves. Other funds with cash available do earn interest.
Charge for Conceptual Development Review Applications (Formerly Pre-Applications)	To-Be-Determined, but minimal (ONGOING)	Currently this is a free service for applicants to get early feedback on their development projects. Being free contributed to the City’s “Pro Housing” designation, so a new fee would only be charged on non-residential applications. The additional revenue would be minimal.