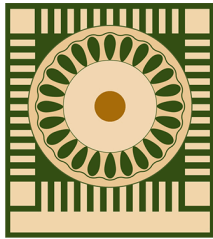


# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Tuesday, April 11, 2023**

**7:00 PM**

**Council Chamber and Virtual Platform (Zoom)**

**City Council**

**SPECIAL CITY COUNCIL MEETING**

NOTICE: The City Council will hold a hybrid meeting in Council Chambers and virtually via Zoom.

**PUBLIC PARTICIPATION**

*How to observe the Meeting:*

1. Comcast TV Channel 15
2. Live stream <https://hayward.legistar.com/Calendar.aspx>
3. YouTube Live stream: <https://www.youtube.com/user/cityofhayward>

*How to submit written Public Comment:*

1. Use eComment on the City's Meeting & Agenda Center webpage at: <https://hayward.legistar.com/Calendar.aspx>. eComments are directly sent to the iLegislate application used by City Council and City staff. Comments received before 3:00 p.m. the day of the meeting will be exported into a report, distributed to the City Council and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda.

2. Send an email to [List-Mayor-Council@hayward-ca.gov](mailto:List-Mayor-Council@hayward-ca.gov) by 3:00 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the City Council and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. Documents received after 3:00 p.m. through the adjournment of the meeting will be included as part of the meeting record and published the following day.

*How to provide live Public Comment during the City Council Meeting:*

Participate in the Council Chambers or click link below to join the meeting:  
<https://hayward.zoom.us/j/88379569567?pwd=OVlrMHdlTTZ1NVZhNmhVN1dkOWg0QT09>

Meeting ID: 883 7956 9567

Password: CC4/11@7pm

or

Dial: +1 669 900 6833 or +1 646 931 3860

Meeting ID: 883 7956 9567

Password: 6787505183

**CALL TO ORDER: Mayor Salinas**

**Pledge of Allegiance: Council Member Zermeño**

**AB 2449 TELECONFERENCE NOTIFICATIONS AND CONSIDERATION**

[RPT 23-042](#) Remote Participation Based on AB 2449 Just Cause

**ROLL CALL**

**PRESENTATION**

National Crime Victims' Rights Week Proclamation

**PUBLIC COMMENTS**

*The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Information Items. The Council welcomes comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, items will be taken under consideration and may be referred to staff.*

**CITY MANAGER'S COMMENTS**

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

**ACTION ITEMS**

*The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council Member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.*

**CONSENT**

1. [MIN 23-042](#) Approve the City Council Minutes of the City Council Meeting on March 21, 2023

**Attachments:** [Attachment I Draft Minutes of 3/21/2023](#)

2. [MIN 23-043](#) Approve the City Council Minutes of the City Council Meeting on March 28, 2023

**Attachments:** [Attachment I Draft Minutes of 3/28/2023](#)

3.     [CONS 23-186](#)     Adopt an Ordinance Amending Chapter 10, Article 17 of the Hayward Municipal Code Regarding Affordable Housing Requirements for New Housing Developments
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Summary of Ordinance Published](#)
4.     [CONS 23-167](#)     Adopt a Resolution Opposing Initiative 21-0042A1 on the November 2024 General Election Ballot, Entitled the “Taxpayer Protection and Government Accountability Act” and Authorizing the Mayor to Sign a Letter of Opposition to the Ballot Measure
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Proposed Letter of Opposition](#)  
                          [Attachment IV 21-0042A1 Measure Text](#)
5.     [CONS 23-182](#)     Adopt a Resolution Approving Plans and Specifications and Calling for Bids for Traffic Signal Modification on Jackson Street as Part of the Route 238 Corridor Improvement Phase 2 Project No. 05270
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Location Map](#)
6.     [CONS 23-184](#)     Adopt a Resolution Approving the FY 2024 Measure B/BB Annual Paratransit Program Plan and Authorizing the City Manager to Execute FY 2024 Service Agreements for the Continued Provision of Measure B/BB Funded Paratransit Services
- Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Funding Recommendations](#)  
                          [Attachment IV Paratransit Program Plan Application](#)

7.      [CONS 23-185](#)      Adopt a Resolution Authorizing the City Manager to Execute the Cooperation Agreement for Fiscal Years 2024-2026 between the City of Hayward and the County of Alameda to Participate in the Alameda County HOME Consortium

**Attachments:**      [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)

8.      [CONS 23-198](#)      Adopt a Resolution Accepting and Filing the Annual Comprehensive Financial Report for the Year Ended June 30, 2022, and of the Memorandum on Internal Control and Required Communications

**Attachments:**      [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III FY 2022 Comprehensive Financial Report](#)

9.      [CONS 23-200](#)      Adopt a Resolution Authorizing the City Manager to Appropriate \$88,598.89 from the Measure C Operating Fund (Fund 101) for the Purchase of (1) EagleAir® Model RVA15M3D4U RavenCFS Breathing Air Compressor System

**Attachments:**      [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)

10.     [CONS 23-201](#)      Adopt a Resolution Authorizing the City Manager to Appropriate \$640,894 from the Measure C Operating Fund (Fund 101) for the Purchase of Motorola Dispatch Console Equipment and Service Plans and to Execute an Agreement with Motorola for Purchase of those Products

**Attachments:**      [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)

**WORK SESSION**

*Work Session items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.*

11. [WS 23-011](#) Community Agency Funding: Fiscal Year 2024 Community Agency Funding Recommendations for Services, Arts & Music, Special Events, and Economic Development and Infrastructure and Overview of the FY 2024 Annual Action Plan (Report from Assistant City Manager Youngblood)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Funding Recommendations](#)

**LEGISLATIVE BUSINESS**

12. [LB 23-015](#) Council Vacancy and Appointment: Adopt a Resolution Appointing a Candidate to Fill a Two-Year Term City Council Vacancy or Consider Alternative Options for Filling the Vacancy (Report from City Manager McAdoo, City Attorney Lawson, and City Clerk Lens)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution](#)

13. [LB 23-014](#) Stormwater Management and Urban Runoff Control Ordinance: Adopt a Resolution and Introduce Stormwater Ordinance Amendments Related to Municipal Regional (Stormwater) Permit-MRP 3.0 and Finding the Action is Exempt from CEQA Review (Report from Public Works Director Ameri)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution](#)  
[Attachment III Stormwater Ordinance](#)  
[Attachment III-a Ordinance Text](#)

**PUBLIC HEARING**

14. [PH 23-017](#) Valley Street East of 4th Street to C Street: Adopt a Resolution Vacating Right-of-Way of Valley Street East of 4th Street to C Street Pursuant to the Provisions of California Streets and Highways Code Sections 8320 et. seq. (Report from Public Works Director Ameri)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution](#)  
[Attachment III Location Map](#)

15. [PH 23-019](#) Hayward Hangars Airport Hangar Project TEFRA Hearing: Tax and Equity Fiscal Responsibility Act Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance of Revenue Bonds by the Public Finance Authority in an Amount Not-to-Exceed \$5,512,000 to Finance or Refinance the Construction, Furnishing and Equipping of an Aircraft Storage Hangar Project Located at 20995 Skywest Drive, Hayward, California (Report from Assistant City Manager Claussen)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution](#)

**COUNCIL REPORTS AND ANNOUNCEMENTS**

Council Members can provide oral reports on attendance at intergovernmental agency meetings, conferences, seminars, or other Council events to comply with AB 1234 requirements (reimbursable expenses for official activities).

**COUNCIL REFERRALS**

Council Members may bring forward a Council Referral Memorandum (Memo) on any topic to be considered by the entire Council. The intent of this Council Referrals section of the agenda is to provide an orderly means through which an individual Council Member can raise an issue for discussion and possible direction by the Council to the appropriate Council Appointed Officers for action by the applicable City staff.

**ADJOURNMENT**

**NEXT MEETING, April 18, 2023, 7:00 PM**

**PUBLIC COMMENT RULES**

*Any member of the public desiring to address the Council shall limit their address to three (3) minutes unless less or further time has been granted by the Presiding Officer or in accordance with the section under Public Hearings. The Presiding Officer has the discretion to shorten or lengthen the maximum time members may speak. Speakers will be asked for their name before speaking and are expected to honor the allotted time.*

**PLEASE TAKE NOTICE**

*That if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.*

**PLEASE TAKE FURTHER NOTICE**

*That the City Council adopted Resolution No. 87-181 C.S., which imposes the 90-day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

*\*\*\*Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the City website, Cable Channel 15 - KHRT, and YouTube.\*\*\**

*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or [cityclerk@hayward-ca.gov](mailto:cityclerk@hayward-ca.gov).*

*Assistance will be provided to those requiring language assistance. To ensure that interpreters are available at the meeting, interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400.*





# CITY OF HAYWARD

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**File #:** RPT 23-042

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Remote Participation Based on AB 2449 Just Cause

**RECOMMENDATION**

Council Member Andrews requested to participate via the Zoom platform under AB 2449 Brown Act teleconferencing “just cause” situation as defined in Government Code section 54953(f)(2)(A)(i) and 54953(j)(2)(A).

**ATTACHMENTS**

None.



# CITY OF HAYWARD

Hayward City Hall  
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**File #:** MIN 23-042

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**DATE:** March 21, 2023

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Approve the City Council Minutes of the City Council Meeting on March 21, 2023

**RECOMMENDATION**

That the Council approves the City Council meeting minutes of March 21, 2023.

**SUMMARY**

The City Council held a meeting on March 21, 2023.

**ATTACHMENTS**

Attachment I      Draft Minutes of March 21, 2023



**CITY COUNCIL MEETING**  
777 B Street, Hayward, CA 94541  
**Virtual Platform (Zoom)**  
<https://hayward.zoom.us/j/83584518480?pwd=VUIYZ0dJV1BlcFlQNGhmY0tKL2dVUT09>  
**Tuesday, March 21, 2023, 7:00 p.m.**

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The City Council meeting was called to order by Mayor Salinas at 7:00 p.m. The City Council held a hybrid meeting in the Council Chambers and virtually via the Zoom platform.

**Pledge of Allegiance:** Council Member Roche

Present: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche, Syrop, Zermeño  
MAYOR Salinas

Absent: None

**PRESENTATION**

Mayor Salinas read a proclamation declaring the month of March 2023 as a month celebrating the 21<sup>st</sup> Annual March for Meals Month. The proclamation was presented to Spectrum Community Services Inc., and Service Opportunity for Seniors (SOS) Meals on Wheels. SOS Development Director Dan Ashbrook accepted the proclamation on behalf of SOS Meals on Wheels and Senior Meals Program Manager Becky Bruno accepted the proclamation on behalf of Spectrum Community Services Inc.

**PUBLIC COMMENTS**

There were none.

**CITY MANAGER'S COMMENTS**

There were none.

**CONSENT**

Consent Item No. 3 and Item No. 6 were removed from the Consent Calendar for a separate vote.

1. Approve the City Council Minutes of the City Council Meeting on February 28, 2023 **MIN 23-037**

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried unanimously, to approve the minutes of the City Council meeting on February 28, 2023.

2. Approve the City Council Minutes of the City Council Meeting on March 7, 2023 **MIN 23-038**

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried unanimously, to approve the minutes of the City Council Meeting on March 7, 2023.

3. Adopt an Ordinance Amending Chapter 10, Article 1, Section 10-1.2750 (Alcoholic Beverage Outlets) of the Hayward Municipal Code to Update the Regulations Governing Alcoholic Beverage Outlets Throughout the City **CONS 23-150**

Staff report submitted by City Clerk Lens, dated March 21, 2023, was filed.

City Attorney Lawson requested to remove Item 3 from the Consent Calendar and hold it over to the March 28, 2023, Council meeting. City Attorney Lawson noted the item was considered by Council at its March 7, 2023 meeting and approved unanimously; added that following the meeting a media report characterized Council's actions as violative of the Brown Act, unduly influenced by special interests, and inconsistent with the Council's procedural rules; noted the allegations were not supportable; and indicated a memorandum would be issued with the March 28, 2023 staff report to confirm on the record that Council's actions were transparent, consistent with the Brown Act, and in accordance with the procedural framework identified in the Council Member Handbook.

4. Adopt a Resolution Approving an Amendment to the City of Hayward Salary Plan for Fiscal Year 2023 **CONS 23-153**

Staff report submitted by Human Resources Director Frye, dated March 21, 2023, was filed.

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolution.

AYES:	COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 23-057, "Resolution Approving the Amended Fiscal Year 2023 Salary Plan Designating Positions of Employment in the City of Hayward and Salary Range; and Superseding Resolution No. 23-042 and all Amendments Thereto"

5. Adopt a Resolution Authorizing the City Manager to Execute an Amendment to the Agreement with Dutchover & Associates for Landscape Architect Services, Increasing the Not-to-Exceed Amount to \$405,000 **CONS 23-143**

Staff report submitted by Acting Development Services Director Buizer, dated March 21, 2023, was filed.



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**777 B Street, Hayward, CA 94541**  
**Virtual Platform (Zoom)**  
<https://hayward.zoom.us/j/83584518480?pwd=VUIYZ0dJV1BlcFlQNGhmY0tKL2dVUT09>  
**Tuesday, March 21, 2023, 7:00 p.m.**

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It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche,  
Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 23-058, "Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with Dutchover & Associates, for Landscape Architect Services Increasing the Not to Exceed Amount to \$405,000"

6. Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with the Renaissance Entrepreneurship Center and the Pop-Up Guide in the Amount Not-to-Exceed \$150,000 for the Management and Implementation of the Downtown Activation Pilot Program **CONS 23-152**

Staff report submitted by Chief Economic Development Officer Nguyen and Assistant City Manager Youngblood, dated March 21, 2023, was filed.

Council Member Zermeño expressed support for the proposed downtown activation pilot program including performers, artists and vendors scheduled Fridays and Saturdays; and recommended that Sundays also be considered as an option after the six-month pilot program. City Manager McAdoo noted staff could consider the suggestion and evaluate the program during the pilot phase over the first six months and added that a possible expansion of the program could be presented to the Council Economic Development Committee.

It was moved by Council Member Zermeño, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche,  
Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 23-065, “Resolution Authorizing the City Manager to Execute the Professional Services Agreement with the Renaissance Entrepreneurship Center and the Pop-Up Guide for Program Management Services for the Downtown Activation Pilot Program for a Total Not-to-Exceed Amount of \$150,000 through December 31, 2023”

7. Adopt a Resolution Authorizing the City Manager to Execute an MOU and Partnership Agreement, and to Accept and Appropriate up to \$101,000 for the Operation of Family Education Program Services for Hayward Unified School District (HUSD) Schools **CONS 23-154**

Staff report submitted by Library Services Director Addleman, dated March 21, 2023, was filed.

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolutions.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 23-059, “Resolution Authorizing the City Manager to Execute an MOU with Hayward Unified School District (HUSD) Allowing the Library to Offer Library Programs and Mobile Outreach Services at Four (4) HUSD Schools During the 2022-2023 School Year”

Resolution 23-060, “Resolution Authorizing the City Manager to Execute a Partnership Agreement with the Center for Community Engagement at the California State University, East Bay (CSUEB), Providing Funding or the Training, Supervision, and Tutor/Mentorship Placements of CSUEB College Corps Students in the Homework Support Centers at Four (4) HUSD Schools During the 2022-2023 School Year”

Resolution 23-061, “Resolution Authorizing the City Manager to Accept and Appropriate Up to \$80,000 from Hayward Unified School District (HUSD) for the Operation of Family Education Program Services at Four (4) HUSD Schools in FY 2023”



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**777 B Street, Hayward, CA 94541**  
**Virtual Platform (Zoom)**  
<https://hayward.zoom.us/j/83584518480?pwd=VUIYZ0dJV1BlcFlQNGhmY0tKL2dVUT09>  
**Tuesday, March 21, 2023, 7:00 p.m.**

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Resolution 23-062, “Resolution Authorizing the City Manager to Accept and Appropriate \$21,000 from the Center for Community Engagement at the California State University, East Bay (CSUEB) for the Operation of Family Education Program Services at HUSD Schools and Both Library Locations in FY 2023”

8. Adopt a Resolution Authorizing the City Manager to Accept and Appropriate the Pieces of Art Being Donated to Hayward Public Library by Monica Chan and Dean Quock **CONS 23-155**

Staff report submitted by Library Services Director Addleman, dated March 21, 2023, was filed.

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche,  
Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 23-063, “Resolution Authorizing the City Manager to Accept and Appropriate the Pieces of Art Being Donated to Hayward Public Library by Monica Chan and Dean Quock”

9. Adopt a Resolution Authorizing the City Manager to Appropriate \$228,000 from the Mutual Aid Revenue Project of the Capital Projects General Fund (Fund 405 - Project 05002) to Purchase a Telehandler Heavy-Duty Forklift for Use at the Hayward Fire/Rescue Training Center and During/to Prepare for Emergency Disasters **CONS 23-160**

Staff report submitted by Fire Chief Contreras, dated March 21, 2023, was filed.

It was moved by Council Member Márquez, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche,  
Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 23-064, “Adopt a Resolution Authorizing the City Manager to Appropriate \$228,000 from the Mutual Aid Revenue Project of the Capital Projects General Fund (Fund 405-Project 05002) to Purchase a Telehandler Heavy Duty Forklift for Use at the Hayward Fire/Rescue Training Center and During/to Prepare for Emergency Disasters”

## **PUBLIC HEARING**

10. Master Fee Schedule: Adopt a Resolution Approving the FY 2024 Master Fee Schedule, and Finding the Action is Exempt from CEQA Review **PH 23-014**

Staff report submitted by Finance Director Gonzales, dated March 21, 2023, was filed.

Finance Director Gonzales announced the item and introduced Management Analyst Mullins who provided a synopsis of the staff report.

Discussion ensued among members of the City Council and City staff regarding: the Tenant Relocation Assistance Hearing Fee; once the Heritage Plaza is ready, staff will work on its programming plan and fee schedule; the proposal to move the Housing Division under the Development Services Department during the budget’s proposal is meant to reflect the new organizational structure; updates fees associated with administration of the Residential Rent Stabilization and Tenant Protection Ordinance will be presented to Council on March 28, 2023; a consulting firm had reviewed the City’s fees in the past to ensure the appropriate amount was being charged for the services being provided and compared it to other agencies; most of the programming at the Library is free and a majority of recreational fees are provided through the Hayward Area Recreation and Park District; Executive Team could look into whether departments were assessing program usage fees; non-profit groups serving Hayward were allowed two free uses per month of meeting Room C at the Main Library; the Master Fee Schedule is updated on an annual basis in coordination with each City department to make any necessary adjustments to adhere to government regulations, to achieve full-cost recovery or incorporate changes approved by the City Council throughout the year; if the Master Fee Schedule is adopted, it will be effective starting July 1, 2023; the Hayward Unified School District (HUSD) decided to conduct most of its board meetings at their own facility and if they planned to host a meeting in the Council Chambers, they would cover staff costs of operating the equipment and broadcasting the meeting; increased accessory dwelling unit (ADU) fees were based on the





**CITY COUNCIL MEETING**  
**777 B Street, Hayward, CA 94541**

**Virtual Platform (Zoom)**

<https://hayward.zoom.us/j/83584518480?pwd=VUIYZ0dJV1BlcFlQNGhmY0tKL2dVUT09>

**Tuesday, March 21, 2023, 7:00 p.m.**

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valuation of the construction and a majority of the complaints related to ADU fees were for sewer and water connection fees and fewer on building permits; the City is exploring implementing an online reservation system for all City facilities with the goal to have a uniform platform allowing easy access for residents to make reservations; tenant relocation hearings are not frequent and when they occur the requestor pays the fee and the City pays for the administration; residents are notified of the proposed fee increases by way of two hearing notices published in the newspaper in advance of the hearing and via the City's website; and larger fee increases, such as park in-lieu fees, would require an extensive outreach process.

Members of the City Council had the following requests: provide a post-Covid evaluation on how much revenue is generated from parking citation fees using GIS tools to create a heat map; explore a subsidy in the event a hardship is experienced related to a Tenant Relocation Assistance Hearing Fee.

Mayor Salinas opened the public hearing at 7:39 p.m.

Mr. Carlos Gonzales, President of the Prospect Hill Neighborhood Association, extended an invitation to the City Council to attend their monthly meeting, and asked if the Board could hold a meeting at City Hall or the Library. Library Services Director Addleman noted most homeowners' associations and groups meet at the Weekes Library at no charge, and residents could send an email to [reservations@hayward-ca.gov](mailto:reservations@hayward-ca.gov)

Mayor Salinas closed the public hearing at 7:42 p.m.

It was moved by Council Member Goldstein, seconded by Council Member Roche, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche,  
Syrop, Zermeño  
MAYOR Salinas

NOES: None

ABSENT: None

ABSTAIN: None

Resolution 23-066 "Resolution Adopting the FY 2024 Master Fee Schedule that Reflects Updated Fees and Charges for Departments in the City of Hayward and Rescinding Resolution No. 22-073 and all Amendments Thereto and Finding that the Action is Exempt from CEQA Review"

## **COUNCIL REPORTS AND ANNOUNCEMENTS**

Council Member Zermeño announced that the Hayward Rotary Club was hosting an Omelet Champagne Brunch on March 26, 2023, with Council members and City staff cooking, and noted funds raised will benefit community organizations and children.

Council Member Márquez invited the community to save the date for the City's 38<sup>th</sup> Cinco de Mayo celebration on April 29, 2023, in downtown Hayward hosted by La Alianza de Hayward.

Council Member Andrews announced the Keep Hayward Clean and Green Task Force was organizing a Beautification Planning Project on March 25, 2023, at St Joachim's Catholic Church.

Mayor Salinas commended City staff for doing a great job on behalf of the Keep Hayward Clean Task Force for their social media campaign.

## **COUNCIL REFERRALS**

### **11. City Council Referral: Accelerating BART Transit Oriented Development in Hayward RPT 23-037**

Staff report submitted by Council Members Andrews and Syrop, dated March 21, 2023, was filed.

Council Member Syrop shared that a Bay Area Rapid Transit District (BART) representative brought to his attention that BART is considering reprioritizing different agencies for Phase II development of its Transportation Oriented Development (TOD) work plan and noted that Hayward can be prioritized as Phase I was in progress. Council Member Syrop indicated one way to improve the City's ranking was to engage with BART proactively, added the referral aligned with the Strategic Roadmap goals to continue to work with BART to encourage TOD on BART-owned properties in Hayward, and provided a synopsis of the referral.

Council Member Andrews requested that BART help at the crucial station sites in Hayward for the future of the community especially in South Hayward; underscored the need for positive activity at the sites that will show smart and responsible growth; hoped the reprioritization will help provide resources to address the needs; expressed her support engaging BART more to resolve issues; and thanked Council Member Syrop for his leadership on the referral.

Council Member Márquez thanked her colleagues for their leadership on the referral and for partnering with BART, commented there were a lot of priorities in Hayward, and this was a good example of how there were two existing committees that could vet the project early and strengthen the partnership with BART.

Mayor Salinas noted the proposed referral was intentional and thoughtful as it aligned with the City's priorities and expressed his support of it.



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**Tuesday, March 21, 2023, 7:00 p.m.**

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Council Member Zermeño shared that former Council Member Mendall, Council Member Lamnin and himself were also a part of the JPA with BART and for four years they consistently urged BART for developing its two sites in Hayward; and noted the referral was an additional push for this to happen and supported the referral.

There being no public comment, Mayor Salinas opened and closed the public comment period at 7:54 pm.

It was moved by Council Member Syrop, seconded by Council Member Andrews, and carried by the following roll call vote, to approve the referral.

AYES:	COUNCIL MEMBERS Andrews, Goldstein, Márquez, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None

## **ADJOURNMENT**

Mayor Salinas adjourned the City Council meeting at 7:55 p.m.

## **APPROVED**

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Mark Salinas  
Mayor, City of Hayward

## **ATTEST:**

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Miriam Lens  
City Clerk, City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

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**File #:** MIN 23-043

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**DATE:** March 28, 2023

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Approve the City Council Minutes of the City Council Meeting on March 28, 2023

**RECOMMENDATION**

That the Council approves the City Council meeting minutes of March 28, 2023.

**SUMMARY**

The City Council held a meeting on March 28, 2023.

**ATTACHMENTS**

Attachment I      Draft Minutes of March 28, 2023



## **CITY COUNCIL MEETING**

**777 B Street, Hayward, CA 94541**

**Council Chamber and Virtual Platform (Zoom)**

<https://hayward.zoom.us/j/82228701227?pwd=TVNQYVZQYjZlTkRaUXpHTHdMeXB5UT09>

**Tuesday, March 28, 2023, 7:00 p.m.**

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The City Council meeting was called to order by Mayor Salinas at 7:00 p.m. The City Council held a hybrid meeting in the Council Chambers and virtually via the Zoom platform.

Pledge of Allegiance: Council Member Syrop

Present: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas

Absent: COUNCIL MEMBER Márquez

### **CLOSED SESSION ANNOUNCEMENT**

The City Council convened in closed session at 5:30 p.m., with Council Member Márquez absent and no public comment, regarding conference with property negotiators pursuant to Government Code section 54956.8 regarding 1082 B Street, APN 428-0061-046-02. City Attorney Lawson reported the Council took no reportable action, but anticipates public action at the April 25, 2023, Council meeting. The closed session adjourned at 6:30 p.m.

### **PRESENTATION**

Mayor Salinas acknowledged Council Member Roche for helping him author the proclamation declaring March 2023 as Women's History Month in the City of Hayward and bestowed the proclamation upon Hayward Chamber of Commerce President Linda Renteria. Ms. Renteria expressed her gratitude for the presentation and underscored the importance of recognizing women.

### **PUBLIC COMMENTS**

Mr. Nazario Ayala shared he had started a petition in his community and had gathered approximately 250 signatures to have a dog park built in the Burbank neighborhood where there were fields and empty lots; and requested information about next steps in the process. Mr. Ayala was advised to contact the City Clerk for information.

Mr. Temo Aguilar, Nor Cal Carpenters Union Local 713 field representative, shared that construction apprenticeship programs can lift communities and urged the Council to adopt standards such as living wage, good healthcare, and apprenticeship programs for City projects in the pipeline.

Mr. Joel Toscano, Nor Cal Carpenters Union Local 713 field representative, underscored the importance of contract labor standards language such as healthcare, apprenticeships, and local hire in future projects to help set a level of standards for developers, help cultivate a responsible market for good contractors, and establish structure for future projects coming into Hayward.

## CITY MANAGER'S COMMENTS

There were none.

## CONSENT

Consent Items 1, 3 and 5 were removed from the Consent Calendar for a separate vote.

1. Adopt an Ordinance Amending Chapter 10, Article 1, Section 10-1.2750 (Alcoholic Beverage Outlets) of the Hayward Municipal Code to Update the Regulations Governing Alcoholic Beverage Outlets Throughout the City (Continued from March 21, 2023) **CONS 23-150**

Staff report submitted by City Clerk Lens, dated March 28, 2023, was filed.

Council Member Goldstein asked that the item be removed from the Consent Calendar for clarification. Discussion ensued among City staff and members of the Council related to the 50:50 alcohol to food sales ratio, the enforcement mechanism via the Department of Alcoholic Beverage Control (ABC) agency tasked with the sale of alcoholic beverages, the conditional use permit revocation framework for businesses not meeting a required ratio, and controls in place absent a ratio for entities to operate out of compliance with their full-service restaurant liquor license.

Council Member Syrop suggested that in future conversations about the Strategic Roadmap, the topic could be revisited as it relates to economic development.

It was moved by Council Member Goldstein, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the ordinance.

AYES:	COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	COUNCIL MEMBERS Márquez
ABSTAIN:	None

Ordinance 23-03, "An Ordinance Amending Chapter 10, Article 1, Section 10-1.2750 (Alcoholic Beverage Outlets) of the Hayward Municipal Code to Update the Regulations Governing Alcoholic Beverage Outlets throughout the City"

2. Adopt a Resolution Approving Participation in the National Opioid Settlement with Teva, Allergan, CVS, Walmart and Walgreens, Accepting the Terms of the California Allocation Agreement, and Authorizing the City Manager to Execute and Submit all Necessary Settlement Participation Documents on Behalf of the City of Hayward **CONS 23-156**



## CITY COUNCIL MEETING

777 B Street, Hayward, CA 94541

Council Chamber and Virtual Platform (Zoom)

<https://hayward.zoom.us/j/82228701227?pwd=TVNQYVZQYjZjTkRaUXpHTHdMeXB5UT09>

Tuesday, March 28, 2023, 7:00 p.m.

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Staff report submitted by City Attorney Lawson and Senior Assistant City Attorney Vigilia, dated March 28, 2023, was filed.

It was moved by Council Member Andrews, seconded by Council Member Roche, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-067, “Resolution Approving Participation in the National Opioid Settlement Litigation with Teva, Allergan, CVS, Walmart and Walgreens; Accepting the Terms of the California Allocation Agreement; and Authorizing the City Manager to Execute and Submit all Necessary Settlement Participation Documents on Behalf of the City of Hayward”

3. Adopt a Resolution Accepting the Resignation of Mr. Jason Yeates from the Keep Hayward Clean and Green Task Force, Effective Immediately **CONS 23-168**

Staff report submitted by City Clerk Lens, dated March 28, 2023, was filed.

Council Member Andrews thanked Mr. Jason Yeates for his commitment to the Keep Hayward Clean and Green Task Force and especially acknowledged his contributions toward education.

It was moved by Council Member Andrews, seconded by Council Member Goldstein, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-070, “Resolution Accepting the Resignation of Mr. Jason Yeates from the Keep Hayward Clean and Green Task Force”

4. Adopt a Resolution Accepting the Resignation of Mr. Stanley Long from the Community Services Commission, Effective Immediately **CONS 23-169**

Staff report submitted by City Clerk Lens, dated March 28, 2023, was filed.

Council Member Syrop thanked Mr. Stanley Long for his service on the Community Services Commission.

It was moved by Council Member Andrews, seconded by Council Member Roche, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-068, “Resolution Accepting the Resignation of Mr. Stanley Long from the Community Services Commission”

5. Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Centro Legal de la Raza in an Amount Not-to-Exceed \$500,000 to Administer a Multi-Agency Legal Assistance and Anti-Displacement Program **CONS 23-176**

Staff report submitted by Housing Manager Morales and Assistant City Manager Youngblood, dated March 28, 2023, was filed.

Mr. Bill Espinola, Hayward resident, spoke in opposition of authorizing \$500,000 of American Rescue Plan Act (ARPA) funds to an agency that is already under contract with Alameda County without public comment or community outreach; and urged the Council to use ARPA funds to make housing providers whole and maintain rental housing in Hayward.

The following individuals encouraged the City to use the \$3 million in ARPA funding to fund legal assistance for renters facing evictions; increase the committed dollars from \$500,000 to \$1 million; coordinate with local non-governmental organizations to run Eviction Answer Clinics; and commit to developing Right to Counsel legislation.

Mr. Jesse Gunn, Hayward resident, teacher, and renter  
Mr. Collin Thormoto, Community Services Commission member and Hayward resident  
Ms. Arieana Castellanos, Hayward resident

Council Member Roche commented that when 82% of landlords have legal representation during eviction proceedings whereas only 3% of tenants do, there is inequity; added that





## **CITY COUNCIL MEETING**

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**Council Chamber and Virtual Platform (Zoom)**

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**Tuesday, March 28, 2023, 7:00 p.m.**

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landlords would appreciate fair representation on both sides to keep residents in homes; noted that having legal representation for tenants allows the City to stave off the crisis that is coming with the County ending the moratorium and failing to renew their funding for legal defense; supported the current allocation and was amenable to streamlining additional funds in the future if the program is successful; and made a motion per staff's recommendation.

Council Member Zermeño seconded the motion.

In response to Council Member Syrop's inquiry if the contract with Centro Legal included assistance when individuals receive eviction notices and have three days to respond, Housing Manager Morales indicated that in addition to one-on-one help they have self-serve resources; in response to promoting the services offered, Ms. Morales indicated that while marketing was not included in the budget, staff would conduct social media campaigns and possibly mailers as outreach options. Council Member Syrop understood the desire expressed by some community members to increase the allocation to \$1 million, but believed there may be a more effective way to use the \$2.5 million in remaining funds; and expressed support for the motion.

Council Member Andrews asked staff to send a letter to Alameda County requesting that they look at other ways of funding or providing a path after the moratorium ends, and to provide rental assistance to aid homeowners as well as tenants. City Manager McAdoo responded that staff could put together a letter that is signed by Mayor Salinas. Council Member Andrews requested that staff continue to disseminate information about workshops on the foreclosure prevention program and counseling for homeowners to help with loss mitigation services; and expressed support for the motion.

In response to Council Member Goldstein's inquiry, Housing Manager Morales confirmed that the Alameda County Board of Supervisors did not approve to increase the funding needed to sustain the contract to provide ongoing legal services; and the Emergency Rental Assistance Program (ERAP) that provided rental assistance on behalf of tenants to landlords had expended all available funding but there were plans to seek additional funding. Council Member Goldstein expressed support noting that having been both a landlord and a tenant, he understood the need for legal representation.

In response to Council Member Zermeño's inquiry as to what happens to the program once the \$3 million in ARPA funding is depleted, Housing Manager Morales indicated the City was committed to allocating \$500,000 of the \$3 million and if there was an increased demand, staff would explore further and find another revenue source to fund these efforts but she was not aware of any other sources at the moment that would provide funding on an ongoing basis.

Council Member Roche clarified that the legal aid organization she works for is in Santa Clara County and will not benefit from her advocacy on the issue.

Mayor Salinas agreed with the comments expressed by Council Member Roche that at the end of the day the little bit of help that is offered can ease residents, especially the senior population.

It was moved by Council Member Roche, seconded by Council Member Zermeño, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-071, “Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Centro Legal De La Raza, Inc., in an Amount Not-to-Exceed \$500,000 to Administer a Multi-Agency Legal Assistance and Anti-Displacement Program”

6. Adopt a Resolution Updating the Hayward Local Resilience Plan, Formerly Known as the Hayward Local Hazard Mitigation Plan, and Finding that the Action is Exempt from CEQA Review **CONS 23-181**

Staff report submitted by Fire Chief Contreras, dated March 28, 2023, was filed.

It was moved by Council Member Andrews, seconded by Council Member Roche, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-069, “Resolution to Adopt the Updated Hayward Local Resilience Plan, Formerly Known as the Hayward Local Hazard Mitigation Plan, and Finding that the Action is Exempt from CEQA Review”



## CITY COUNCIL MEETING

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Tuesday, March 28, 2023, 7:00 p.m.

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### PUBLIC HEARING

7. Fiscal Year 2024 Master Fee Schedule: Adopt a Resolution Amending the Fiscal Year 2024 Master Fee Schedule to Update the Fees Associated with Administration of the Residential Rent Stabilization and Tenant Protection Ordinance, and Finding that the Action is Exempt from CEQA Review **PH 23-015**

Staff report submitted by Assistant City Manager Claussen and Housing Manager Morales, dated March 28, 2023, was filed.

Housing Manager Morales introduced Management Analyst Cole-Bloom who provided a synopsis of the staff report.

Discussion ensued among members of the City Council and City staff regarding: cities that have tiered programs have higher fees because of differences among the programs noting that some may have rent registries which require more active enforcement of the legislation; delaying the imposition of October fees due to economic reasons for renters and landlords and lending money to the program from the General Fund could be evaluated during the September update to the Homelessness Housing Task Force (HHTF) noting the City's practice is to minimize impacts to the General Fund; if the HHTF is concerned about the \$26 per month fee, staff could consider a tiered increase over a period of time; the options in the ordinance give the landlord flexibility to delay any rent increase and recover the lost revenue at a later time; under the ordinance staff cannot determine the accuracy of rent increase and termination notices received , but it provides a baseline for assessing activity.

Mayor Salinas opened the public hearing at 8:45 p.m.

Mr. Bill Espinola, Hayward housing provider, asked staff to acknowledge the impact the pandemic has had on housing providers and focus their efforts and resources in keeping them in business, and urged the Council to reconsider the proposed rent stabilization fee increase.

Mr. Paul Taylor, Executive Director of the Rental Housing Association (RHA) of Southern Alameda County and Hayward Chamber of Commerce Board member, expressed that raising the rent stabilization fee to pay for additional staffing was overreach and misguided, noted other funding mechanisms could be explored such as the General Fund, and urged Council to reject the proposed increase and direct staff to identify a different funding source.

Mr. Collin Thormoto, Hayward resident, urged the Council to approve the increase in residential rent stabilization ordinance administration fee to ensure that rents are kept affordable for residents, and noted the proposed increase was well below the rates other cities have in place.

Ms. Arieana Castellanos, Hayward resident, homeowner, and housing provider, encouraged the Council to approve the proposed fee increase to ensure that rents are kept affordable for residents, noted the proposed increase was well below that of other local cities, and noted the marginal increase will have a massive benefit for local renters.

Ms. Daisy Maxion, resident of Hayward, former President of Associated Students Inc. (ASI) of CSUEB, and lead organizer with Filipino Advocates for Justice, encouraged the City to increase the proposed residential rent stabilization ordinance administration fee to ensure rents are kept affordable for local residents, domestic workers, and tenants; and shared that because of protections such as rent stabilization her family was able to purchase a home in Hayward.

Mr. Nolan Calara, Hayward resident and ASI President-Elect, favored the rent stabilization ordinance (RSO) fee, stressed that house insecurity is affecting his 13,000 classmates; underscored that if the department administering the RSO program is underfunded, then bad actors will take advantage; and urged the Council to help students who rely on affordable housing options.

Mayor Salinas closed the public hearing at 8:58 p.m.

In response to Council Member Andrews' inquiry about an opportunity for homeowners to apply for hardship assistance if they were experiencing challenges paying fees, City staff noted there was no explicit language in the ordinance, but staff could research existing policies for hardship situations.

City Manager McAdoo clarified for Council Member Roche that if the net operating income as a landlord is not meeting a certain threshold, then the housing provider could petition for relief or a higher increase, per the ordinance.

Council Member Roche expressed that since 51% of Hayward residents are renters and 30% income-burdened, the City had to fund programs to assist renters to ensure increases are proper; indicated that similar to legal aid, programs that help tenants understand their rights, enable landlords to communicate with their tenants and keep people housed; emphasized that Hayward's proposed fee of \$66 was low compared to neighboring communities, noting the increase was more of a catch-up fee as the City had not raised fees in a few years; and underscored it was fiscally prudent to keep the program funded.

Council Member Syrop agreed with the comments expressed by his colleagues; stated the ordinance did more than stabilize the rent percentage, but established a mediation and arbitration program; noted the proposal would also help public safety reduce the population of unhoused individuals and help individuals escape the cycle of poverty; added the City could be fiscally responsible by not spending more money on emergency resources but funding social services; noted the proposed increase was reasonable; added the policy would put the cost on both parties and would create a healthy mediation system; and made a motion to approve staff's recommendation.



**CITY COUNCIL MEETING**

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**Tuesday, March 28, 2023, 7:00 p.m.**

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Council Member Roche seconded the motion.

Council Member Zermeño expressed his support of the program; agreed with Council Member Goldstein’s comments about being prepared in case of an economic downturn; emphasized the importance of stabilizing rents and having tenant protections; and noted the ordinance had a mechanism for cost recovery in the event property owners did not have enough revenue to cover their cost.

Mayor Salinas thanked his colleagues who serve on the HHTF noting the item had been reviewed for some time; appreciated the comments by Council Members Roche and Syrop about the relationship between landlords and tenants; acknowledged RHA comments and expressed the proposed fee was not too high; noted that over the years the Council had taken a firm position of being cautious in dipping into the General Fund and approving programs that were sustainable and self-funding; and noted the Council was dedicated to protecting both groups through the proposal and investing in education, legal assistance, mediation and other programs.

In response to Council Member Andrews’ request for clarification about hardship assistance, City Manager McAdoo noted there was no specific language in the Master Fee Schedule and as mentioned by Council Member Roche, landlords would be guaranteed a net operating income if they encountered a hardship situation. City Manager McAdoo indicated that if Council desired to have something more specific about petitioning to the Housing Manager or City Manager for hardship purposes, this could be added to the resolution.

Council Member Andrews offered a friendly amendment for staff to return to Council with options for hardship petitions.

Council Member Syrop preferred that a hardship petition mechanism be reviewed by the HHTF. Council Members Andrews, Syrop and Roche were amenable to the suggestion.

It was moved by Council Member Syrop, seconded by Council Member Roche, and carried by the following roll call vote, to adopt the resolution with a friendly amendment with direction for staff to return to the Homelessness-Housing Task Force with an analysis of a potential process for landlords to declare hardship regarding payment of the annual administration fee.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
AYES: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-072 “Resolution Authorizing the Amendment to Resolution 23-066, the Resolution for the City of Hayward Fiscal Year 2024 Master Fee Schedule Associated with the Administration of Chapter 12, Article 1, of the Hayward Municipal Code Regarding the New Residential Rent Stabilization and Tenant Protection Ordinance and the Mobile home Space Rent Stabilization Ordinance and Finding that the Action is Exempt from CEQA Review”

8. Hayward Municipal Code: Introduce an Ordinance Amending Chapter 10, Article 17 of the Hayward Municipal Code Updating the Affordable Housing Ordinance; and Adopt Resolutions Amending Resolution No 17-167 to Increase the Affordable Housing In-lieu Fees for Lower Density Ownership Housing and Amending the FY 2024 Master Fee Schedule and Finding the Action is Exempt from CEQA Review **PH 23-016**

Staff report submitted by Assistant City Manager Claussen, dated March 28, 2023, was filed.

Assistant City Manager Claussen announced the item and introduced Housing Manager Morales and Mr. Derek Braun with Strategic Economics, who provided a synopsis of the staff report.

In response to Council Member Syrop’s inquiry if upzoning would be a way to incentivize more housing development beyond SB 9, Mr. Derek Braun noted that based on the analysis, developers would lose money for every unit built in rental multifamily housing products as well as higher density condominium ownership products.

Mayor Salinas opened the public hearing at 9:50 p.m.

Ms. Ro Aguilar requested that staff track all approved qualified single-family and townhome residential developments, track how many of them choose to build onsite affordable inclusionary housing both owner-occupied and rental, and how many decide to pay in-lieu fees, and provide the range of profit for developers providing onsite inclusionary housing versus paying in-lieu fees; and emphasized the detailed tracking would provide valuable information when deciding on future revisions of the Affordable Housing Ordinance.

Mayor Salinas closed the public hearing at 9:54 p.m.

Members of the City Council thanked City staff and the consultant team for the informative staff report.

Council Member Andrews appreciated Ms. Aguilar’s advocacy for inclusionary housing and asked staff if data tracking would be feasible. Housing Manager Morales responded that as Energov is implemented, staff were looking into ways to track the affordable housing component with the entitlement and permit processes.



**CITY COUNCIL MEETING**

**777 B Street, Hayward, CA 94541**

**Council Chamber and Virtual Platform (Zoom)**

<https://hayward.zoom.us/j/82228701227?pwd=TVNQYVZQYjZjTkRaUXpHTHdMeXB5UT09>

**Tuesday, March 28, 2023, 7:00 p.m.**

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Council Member Roche appreciated comparable cities information, indicated the analysis from Strategic Economics demonstrated what was feasible and provided a realistic view of limitations with affordable housing, was thankful for the update to the language for inclusionary housing and in-lieu fees and highlighted the importance of in-lieu fees in leveraging funds to build affordable housing.

In response to Council Member Syrop's inquiry if there was a way to track the range of profits as suggested by Ms. Aguilar, Housing Manager Morales stated that she did not think this could be accomplished as the information was not submitted as a part of the entitlement or building process and was not sure if developers would be willing to provide the information. Council Member Syrop requested, as the City moves forward, to develop some type of data that is more granular to help assess effectiveness which may guide how to adjust the ordinance in the future.

In response to Council Member Zermeño's inquiry as to the next development project where in-lieu fees would be used, Housing Manager Morales responded that the next step would be to issue a notice of funding availability to identify new housing projects.

Council Member Zermeño asked if the City would be open to a developer who might do half infill development of onsite units and half in-lieu fees. Housing Manager Morales stated that a developer could submit an alternative plan which would be subject to the decision-making body for approval, if staff felt that the project was at a minimum equivalent to the onsite or the in-lieu fee requirement.

Mayor Salinas stated that as the Chair of the Housing Homelessness Task Force he was going to assert his privilege and move the item per staff's recommendation. Mayor Salinas thanked Housing Manager Morales for all her hard work.

Council Member Syrop seconded the motion.

It was moved by Mayor Salinas, seconded by Council Member Syrop, and carried by the following roll call vote, to adopt the resolutions and introduce the ordinance.

AYES: COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño  
MAYOR Salinas  
NOES: None  
ABSENT: COUNCIL MEMBER Márquez  
ABSTAIN: None

Resolution 23-073 “Resolution Finding that the Enactment of an Ordinance Amending Chapter 10, Article 17, of the Hayward Municipal Code Regarding Affordable Housing Requirements for New Housing Developments is Exempt from the California Environmental Quality Act (CEQA)”

Resolution 23-074 “Resolution Amending Resolution 17-167 Updating the Affordable Housing in-Lieu Fee”

Resolution 23-075 “Resolution Authorizing the Amendment to Resolution 23-066, the Resolution for the City of Hayward Fiscal Year 2024 Master Updating the Affordable Housing in-Lieu Fees”

Intro Ordinance 23- “An Ordinance of the City of Hayward Amending Chapter 10, Article 17, of the Hayward Municipal Code Regarding Affordable Housing Requirements for New Housing Developments”

## **LEGISLATIVE BUSINESS**

9. General Plan Annual Progress Report: Accept the Hayward 2040 General Plan Annual Progress Report for Calendar Year 2022 **LB 23-012**

Staff report submitted by Acting Development Services Director Buizer, dated March 28, 2023, was filed.

Acting Development Services Director Buizer announced the item and introduced Associate Planner Hahn who provided a synopsis of the staff report.

In response to Council Member Zermeño’s inquiry related to what could be done to give more emphasize to the Urban Forest Plan, especially in trying to reduce the carbon footprint in the city, Acting Director Buizer stated this would be a question for discussion at the Council’s upcoming retreat on the Strategic Roadmap where Council is anticipated to prioritize projects for the next several years.

There being no public comment, Mayor Salinas opened and closed the public comment period at 10:18 p.m.

In response to Council Member Syrop’s inquiry if there were instances when the Council did not accept a progress report on the General Plan, Acting Director Buizer responded that since adoption of the 2040 General Plan the Council has never rejected an update. City Manager McAdoo added that if the Council did not accept the report by April 1, 2023, the City was placed at risk of not receiving grants from the state and suggested that if the Council had concerns with the report this could be addressed while still accepting and moving forward with the report.





## CITY COUNCIL MEETING

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Tuesday, March 28, 2023, 7:00 p.m.

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Mayor Salinas was pleased with the work done in the Education City Chapter of the General Plan.

Council Member Andrews stated that the report included references to a percentage of initiatives that do not fit in the Strategic Roadmap and asked if these were related to ongoing services that the City needed to provide. Acting Director Buizer responded that some of the programs could be aligned with the overarching goals of the Strategic Roadmap, but were not identified under specific projects, and added that there were certain routine items that do not fall within the six priorities. City Manager McAdoo suggested that for the Strategic Roadmap session, there should be a slide specifically on efforts of the General Plan that were not consistent or needed to be added to the Strategic Roadmap.

It was moved by Council Member Goldstein, seconded by Council Member Zermeño, and carried by the following roll call vote, to accept the report.

AYES:	COUNCIL MEMBERS Andrews, Goldstein, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	COUNCIL MEMBER Márquez
ABSTAIN:	None

### COUNCIL REPORTS AND ANNOUNCEMENTS

Council Member Andrews noted that short presentations by staff with ample time for Council dialogue are more effective.

Council Member Syrop thanked the Housing Division team for putting together so many proposals in such a short timeframe and appreciated all the work and comments received on the items.

### COUNCIL REFERRALS

There were none.

### ADJOURNMENT

Mayor Salinas adjourned the meeting at 10:31 p.m., in memory of Mr. Joe Kuwabara. Council Member Zermeño stated that Mr. Joe Kuwabara was a longtime counselor at Chabot College, was faculty and student centered, was well respected by students and a friend to all, and shared special memories of him. Council Member Zermeño asked staff to work with the Kuwabara family to plant a tree in his memory.

**APPROVED**

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Mark Salinas  
Mayor, City of Hayward

**ATTEST:**

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Miriam Lens  
City Clerk, City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-186

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adopt an Ordinance Amending Chapter 10, Article 17 of the Hayward Municipal Code Regarding Affordable Housing Requirements for New Housing Developments

**RECOMMENDATION**

That the Council adopts the Ordinance introduced on March 28, 2023.

**SUMMARY**

This item entails adoption of an Ordinance amending Chapter 10, Article 17 of the Hayward Municipal Code, introduced on March 28, 2023, by Mayor Salinas.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment I	Summary of Ordinance Published



**DATE:** March 28, 2023  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Adopt an Ordinance Amending Chapter 10, Article 17 of the Hayward Municipal Code Regarding Affordable Housing Requirements for New Housing Developments

**RECOMMENDATION**

That the Council adopts the Ordinance introduced on March 28, 2023.

**SUMMARY**

This item entails adoption of an Ordinance amending Chapter 10, Article 17 of the Hayward Municipal Code, introduced on March 28, 2023, by Mayor Salinas.

**BACKGROUND**

The Ordinance was introduced by Mayor Salinas at the March 28, 2023, meeting of the City Council with the following vote:

AYES:	COUNCIL MEMBERS: Andrews, Goldstein, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	NONE
ABSENT:	COUNCIL MEMBER: Márquez
ABSTAIN:	NONE

**STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to one of the priorities outlined in the Council’s Strategic Roadmap.

**FISCAL IMPACT**

There is no fiscal impact associated with this report.

## **PUBLIC CONTACT**

The summary of the Ordinance was published in the Daily Review c/o Bay Area News Group-East Bay on Friday, April 7, 2023. Adoption, at this time, is therefore appropriate.

## **NEXT STEPS**

The Hayward Municipal Code and other related documents will be updated accordingly.

*Prepared and Recommended by:*

Miriam Lens, City Clerk

Approved by:



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Kelly McAadoo, City Manager

PUBLIC NOTICE OF AN INTRODUCTION OF AN ORDINANCE BY THE CITY COUNCIL  
OF THE CITY OF HAYWARD

AN ORDINANCE OF THE CITY OF HAYWARD AMENDING CHAPTER 10, ARTICLE 17,  
OF THE HAYWARD MUNICIPAL CODE REGARDING AFFORDABLE HOUSING  
REQUIREMENTS FOR NEW HOUSING DEVELOPMENTS

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN  
AS FOLLOWS:

Section 1. Chapter 10, Article 17, of the Hayward Municipal Code is hereby amended to read as  
follows:

**ARTICLE 17 - AFFORDABLE HOUSING ORDINANCE**

**SEC. 10-17.100 GENERAL PROVISIONS.**

**SEC. 10-17.105 TITLE.**

**SEC. 10-17.110 PURPOSE.**

**SEC. 10-17.115 FINDINGS.**

**SEC. 10-17.120 DEFINITIONS.**

*SEC. 10-17.200 RESIDENTIAL DEVELOPMENT PROJECTS*

**SEC. 10-17.205 UNIT THRESHOLD AND BASIC REQUIREMENTS.**

**SEC. 10-17.210 ON-SITE UNITS IN OWNERSHIP RESIDENTIAL PROJECTS.**

**SEC. 10-17.215 ON-SITE UNITS IN RENTAL RESIDENTIAL PROJECTS.**

**SEC. 10-17.220 DESIGN, DISTRIBUTION AND TIMING OF AFFORDABLE UNITS.**

**SEC. 10-17.225 OFF-SITE CONSTRUCTION.**

**SEC. 10-17.230 ADDITIONAL ALTERNATIVES.**

*SEC. 10-17.300 RESERVED*

*SEC. 10-17.400 AFFORDABLE HOUSING IN-LIEU FEE*

**SEC. 10-17.405 ADOPTION OF AFFORDABLE HOUSING IN-LIEU FEE.**

**SEC. 10-17.410 PAYMENT OF AFFORDABLE HOUSING IN-LIEU FEE.**

**SEC. 10-17.415 USE OF AFFORDABLE HOUSING IN-LIEU FEE.**

*SEC. 10-17.500 IMPLEMENTATION OF AFFORDABLE HOUSING PLAN*

**SEC. 10-17.505 GENERAL.**

**SEC. 10-17.510 AFFORDABLE HOUSING PLAN.**

**SEC. 10-17.515 AFFORDABLE HOUSING AGREEMENT.**

**SEC. 10-17.520 TERM OF AGREEMENT.**

**SEC. 10-17.525 RECORDING OF AGREEMENT.**

*SEC. 10-17.600 EXEMPTIONS*

*SEC. 10-17.700 DEVELOPMENT INCENTIVES*

*SEC. 10-17.800 ADMINISTRATION OF AFFORDABLE UNITS*

**SEC. 10-17.805 SELECTION CRITERIA.**

**SEC. 10-17.810 CONFLICT OF INTEREST.**

**SEC. 10-17.815 OCCUPANCY.**

**SEC. 10-17.820 RESALE OF FOR-SALE AFFORDABLE UNITS.**

**SEC. 10-17.825 OPTION TO PURCHASE - FOR-SALE AFFORDABLE UNITS.**

**SEC. 10-17.830 RENTAL AFFORDABLE UNITS.**

**SEC. 10-17.835 MARKETING PLAN.**

**SEC. 10-17.840 COMPLIANCE REPORTS.**

**SEC. 10-17.845 SUBSEQUENT RENTAL TO INCOME-ELIGIBLE TENANT.**

**SEC. 10-17.850 CHANGES IN TENANT INCOME.**

*SEC. 10-17.900 ADJUSTMENTS AND WAIVERS*

**SEC. 10-17.905 APPLICATION FOR ADJUSTMENTS AND WAIVERS.**

**SEC. 10-17.910 CONSIDERATIONS.**

**SEC. 10-17.915 ACTION ON ADJUSTMENT OR WAIVER.**

*SEC. 10-17.1000 AFFORDABLE HOUSING TRUST FUND*

**SEC. 10-17.1005 TRUST FUND.**

**SEC. 10-17.1010 PURPOSE, LIMITATIONS AND ADMINISTRATION.**

*SEC. 10-17.1100 ENFORCEMENT*

**SEC. 10-17.1105 MISDEMEANOR.**

**SEC. 10-17.1110 CITY ACTIONS.**

Section 2. Severance.

If any section, subsection, paragraph or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 3. Effective Date.

This ordinance shall become effective thirty (30) days after adoption by the City Council.

Introduced at a regular meeting of the City Council of the City of Hayward, held the 28th day of March, 2023, by Mayor Salinas.

This Ordinance will be considered for adoption at the regular meeting of the Hayward City Council, to be held on the 11th day of April, 2023, at 7:00 p.m. Please note the City Council will hold a hybrid meeting which will allow for participation in the Council Chamber and virtually via the Zoom platform. The full text of this Ordinance is available for examination by the public by contacting the City Clerk's office at [cityclerk@hayward-ca.gov](mailto:cityclerk@hayward-ca.gov) or (510) 583-4400.

Dated: April 7, 2023  
Miriam Lens, City Clerk  
City of Hayward





# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-167

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Adopt a Resolution Opposing Initiative 21-0042A1 on the November 2024 General Election Ballot, entitled the “Taxpayer Protection and Government Accountability Act” and Authorizing the Mayor to Sign a Letter of Opposition to the Ballot Measure

**RECOMMENDATION**

That the Council 1) adopts a resolution (Attachment II) opposing Initiative 21-0042A1 on the November 2024 General Election Ballot, entitled by its proponents the “Taxpayer Protection and Government Accountability Act”; and 2) authorizes the Mayor to sign a letter of opposition to the ballot measure to be delivered to the League of California Cities (CalCities).

**SUMMARY**

The Taxpayer Protection and Government Accountability Act (“the measure”), if approved by a simple majority of voters in the November 2024 general election, would amend the California Constitution with provisions restricting the enactment of taxes by state legislators, local boards, or voter-initiated ballot measures. It would also invalidate any local taxes enacted after January 1, 2022; impose mandatory sunset dates on all taxes; put restrictions on local fees and charges; and limit government’s ability to impose fines on businesses that violate state or local law.

The Constitutional amendments proposed by the measure are in opposition to the General Legislative Principles of Enhancing Revenue Sources and Maintaining Home Rule Authority as outlined in the City’s Legislative Program. The measure would significantly impact the City’s future ability to fund services and operations, including those funded by the City’s local Measure C sales tax, the Utility Users Tax, the Real Property Transfer Tax, the Transient Occupancy Tax, as well as transportation and street improvements funded by Alameda County Measure BB.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution

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**File #:** CONS 23-167

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Attachment III      Proposed Letter of Opposition  
Attachment IV      Measure 21-0042A1



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

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## **BACKGROUND**

On January 4, 2022, the political action committee (PAC) Californians for Taxpayer Protection and Government Accountability filed AG#21-0042A1, officially titled the

“Taxpayer Protection and Government Accountability Act”.<sup>1</sup> The PAC and its ballot measure campaign have raised over \$16 million, primarily funded by the California Business Roundtable, with additional contributions from real estate investment companies including Douglas Emmett Properties, Kilroy Realty LP, and Western National Group, as well as emergency medical services provider AMR Holdco, Inc.<sup>2</sup>

On February 1, 2023, the California Secretary of State announced the initiative had qualified for the November 2024 ballot with just over one million valid signatures.<sup>3</sup> The measure has since been supported by the California National Association for Industrial Office Parks, also known as the Commercial Real Estate Development Association, and the Howard Jarvis Taxpayers Association, founded in 1978 to protect Proposition 13 and oppose taxation in California.<sup>4</sup>

In 2017, the City adopted a formal Legislative Program, which serves as a guide to Hayward’s legislative priorities and positions. Under the program, the City has two General Legislative Principles: 1) Enhancing Revenue Sources and 2) Maintaining Home Rule Authority.<sup>5</sup> These principles were re-affirmed when the Council adopted an update to the Legislative Program in January 2022.<sup>6</sup> Based on these stances, the City has opposed legislation and ballot measures limiting its ability to raise revenue or enact legislation. Most recently, in September 2022, the City opposed AB 1951, which proposed exempting manufacturers from paying full sales taxes on equipment purchases for a five-year period.

## DISCUSSION

### ***Taxpayer Protection and Government Accountability Act Provisions***

The proposed language of the Taxpayer Protection and Government Accountability Act includes changes to the California Constitution: 1) classifying all levies, fees, and charges imposed by state and local government as either taxes or what the initiative defines as “exempt charges;” and 2) imposing new vote requirements and limitations on new or increased taxes. The full text of the measure can be found in Attachment IV.

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<sup>1</sup> Initiative 21-0042, California Attorney General <https://oag.ca.gov/system/files/initiatives/pdfs/21-0042A1%20%28Taxes%29.pdf>

<sup>2</sup> Campaign Finance: Californians for Taxpayer Protection and Government Accountability, Sponsored by California Homeowners, Taxpayers, and Businesses, Cal-Access <https://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1442599&session=2021&view=received>

<sup>3</sup> RE: Initiative: #1935 Related to Taxes – Eligibility for Ballot, California Secretary of State <https://elections.cdn.sos.ca.gov/ccrov/2023/february/23017jh.pdf>

<sup>4</sup> California Two-Thirds Legislative Vote and Voter Approval for New or Increased Taxes Initiative (2024) – Support, Ballotpedia [https://ballotpedia.org/California\\_Two-Thirds\\_Legislative\\_Vote\\_and\\_Voter\\_Approval\\_for\\_New\\_or\\_Increased\\_Taxes\\_Initiative\\_\(2024\)#cite\\_note-finance-6](https://ballotpedia.org/California_Two-Thirds_Legislative_Vote_and_Voter_Approval_for_New_or_Increased_Taxes_Initiative_(2024)#cite_note-finance-6)

<sup>5</sup> Adoption of Federal and State Legislative Priorities Program, Hayward City Council Report July 17, 2017 <https://hayward.legistar.com/View.ashx?M=F&ID=5300265&GUID=DBE4601B-D0BF-44E8-9EAB-AFF7E45BD3FC>

<sup>6</sup> Legislative Program: Adopt a Resolution Updating the City’s Legislative Program, Hayward City Council Report January 18, 2022 <https://hayward.legistar.com/LegislationDetail.aspx?ID=5382570&GUID=5F2027E2-FB7B-43AA-8DFE-01D398587443>

The measure dictates that all charges imposed by state and local governments be considered taxes for the purposes of enactment or amendment unless they are “exempt charges” as described below:

- Reasonable charges that do not exceed the cost of providing associated services,
- Charges collected to fund the non-federal portion of Medi-Cal,
- Charges collected for admission, use, rental, purchase or lease of government property,
- Fines imposed as a result of a violation of law, or
- Charges for the promotion of California tourism.

State and local governments would bear the burden of providing evidence that fines, fees, or other levies are “exempt charges.” Proposed exempt charges may be subject to legal challenge. Levies that cannot prove their status as “exempt charges” would be considered taxes.

The measure proposes the following limitations on when and how new or increased taxes may be enacted:

- All new taxes and tax increases would require approval by both the governing body and voters. General taxes would require a simple majority in addition to governing body approval. Special taxes would require a two-thirds majority as well as governing body approval.
- For local taxes, the requirements for governing body and voter approval would apply to both taxes proposed by the governing body as well as taxes placed on the ballot by voters. Statewide voter-initiated ballot measures would be exempt from the two-thirds majority requirement.
- Voter approval would be required for any expansion of existing taxes, including expansions through annexations or new applications of existing taxes, such as imposing a utility users’ tax on a new utility service.
- General tax ballot measures must include specific language designating the tax as being “for general government use.” Advisory measures indicating specific potential uses for a general tax’s revenue would or should be used would be prohibited.
- All new taxes must include a sunset date.
- City charters may not be amended to include taxes or fees.
- Any tax or fee imposed after January 1, 2022, that does not comply with the language of the measure would be voided.

### ***Impact of Proposed Measure***

According to the ballot summary provided by the Secretary of State, if passed, the Taxpayer Protection and Government Accountability Act would significantly curtail the ability of voters and state and local governments to raise revenues for government services.<sup>7</sup> Under existing law, local governments’ revenue-raising authority is already substantially

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<sup>7</sup> Eligible Statewide Initiative Measures, California Secretary of State  
<https://www.sos.ca.gov/elections/ballot-measures/initiative-and-referendum-status/eligible-statewide-initiative-measures>

restricted by statute and constitutional provisions. Examples of existing restrictions include: Proposition 13 (1978) limiting property tax changes; Proposition 218 (1996) requiring voter approval for all new local taxes; and Proposition 26 (2010) expanding the definition of a “tax” to include any levy, charge or exaction imposed by a local government that does not fall within one of seven specific exemptions. .

The Taxpayer Protection and Government Accountability Act would further limit local governments’ ability to raise revenue by redefining existing fees and charges as taxes, such as:

- Nuisance abatement charges, such as for weed, rubbish, and general nuisance abatement to fund community safety, code enforcement, and neighborhood cleanup programs;
- Commercial franchise fees;
- Emergency response fees, such as in connection with DUI;
- Document processing and duplication fees;
- Transit fees, tolls, parking fees, and public airport and harbor use fees; and
- Fees for parks and recreation services; and
- Garbage disposal tipping fees.

Currently, the City regularly adopts increases to fee rates and charges and has the ability to revise rate schedules to accommodate new users and activities. The City’s Master Fee Schedule, which identifies the fees for various City services, is based on recovery for the cost of delivering services. Certain services deemed to provide community benefits may have fees that are lower than cost recovery at Council’s discretion. Unlike most revenue sources, the City currently has significant control over use fees, allowing it the flexibility to balance service levels, demand, and community benefit. Under the provisions of the measure, the City’s ability to adjust fees would be severely restricted.

Table 1 provides a summary of revenues generated by fees. Some fees may be considered exempt charges under the measure and not impacted, but determining the nature of the fee would require evaluation on a case-by-case basis.

**Table 1: Three-Year Actuals of Fee Revenue (All Funds)**

Fee Revenues	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals
Utility Fees	\$92,658,381	\$92,617,319	\$93,549,968
Franchise Fees	\$11,435,862	\$11,444,929	\$11,333,075
Other Fees	\$7,098,893	\$5,440,311	\$6,708,071
Fees and Charges for Services	\$3,915,313	\$5,142,957	\$5,247,379
Fines & Forfeitures	\$2,486,851	\$2,401,632	\$3,075,079
Permits	\$5,095,304	\$4,264,388	\$1,972,575
Licenses	\$156,641	\$146,864	\$180,369
<b>Total Charges and Fees Revenue</b>	<b>\$122,847,245</b>	<b>\$121,458,400</b>	<b>\$122,066,516</b>

The City of Hayward also has several key revenue sources that are currently considered taxes and would be affected by the measure. These revenue streams make up a significant portion of the City’s annual revenue. General use taxes that fund City operations include Property Tax, Sales Tax, Utility User Tax (UUT), Real Property Transfer Tax (RPTT), Transit Occupancy Tax (TOT), Cannabis Tax, and Measure C Sales Tax. City operations are also supported by the Alameda County Measure B/BB transportation sales tax, a special tax which helps fund transportation and paratransit programs.

Over the years, the City has taken several tax ballot measures to its voters and received support for tax measures that provide community support and programmatic services to the Hayward community. Under the Taxpayer Protection and Government Accountability Act, future tax measures would face steeper approval requirements and would need to include explicit sunset dates. Table 2 provides an overview of City taxes that have been passed by voters.

**Table 2: Voter Approved Tax Ballot Measures**

Tax	Voter-Approved Ballot Measures	Sunset Date
Sales Tax (1/2 Cent)	Measure C – City of Hayward	December 2034
Utility User Tax (UUT)	Measure A – City of Hayward	June 2019
Utility User Tax Renewal (UUT)	Measure D – City of Hayward	June 2039
Real Property Transfer Tax (RPTT)	Measure T – City of Hayward	N/A
Cannabis Tax	Measure EE – City of Hayward	N/A
Transient Occupancy Tax (TOT)	Measure NN – City of Hayward	N/A
Transportation Sales Tax (1/2 Cent)	Measure B – County of Alameda	March 2022
Transportation Sales Tax (1/2 Cent)	Measure BB – County of Alameda	March 2045

Table 3 below provides a summary of revenues generated by each of the above taxes. Any future efforts to extend or increase these revenue sources would be subject to the provisions of the measure.

**Table 3: Three-Year Actuals of Tax Generating Revenue (All Funds)**

Tax Revenues	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals
Property Tax	\$58,431,803	\$61,196,409	\$63,524,226
Sales & Use Tax (General Fund)	\$39,679,957	\$40,074,819	\$44,027,645
Sales & Use Tax (Measure C)	\$16,886,500	\$18,577,214	\$20,638,713
Utility Users Tax (UUT)	\$16,065,943	\$17,267,592	\$17,308,117
Real Property Transfer Tax (RPTT)	\$12,150,286	\$17,120,032	\$21,226,290
Transient Occupancy Tax (TOT)	\$2,186,927	\$1,552,148	\$1,978,906
Cannabis Tax	\$2,985	\$441,877	\$842,860

Tax Revenues	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals
Measure B	\$993,532	\$1,037,806	\$850,580
Measure BB	\$903,523	\$898,232	\$1,210,250
<b>Total Tax Revenue</b>	<b>\$147,301,456</b>	<b>\$158,166,129</b>	<b>\$171,607,587</b>

## FISCAL IMPACT

The resolution and position letter opposing the Taxpayer Protection and Government Accountability Act will have no immediate fiscal impact on the City of Hayward. According to an analysis by the California Legislative Analyst's Office (LAO), if the measure succeeds, the exact extent to which revenues would be lower is unknown, but existing fee revenue is likely to suffer greater impacts than general tax revenues.<sup>8</sup> Actual impacts would likely be substantial, depending on future decisions by the courts, the City Council, and voters.

## STRATEGIC ROADMAP

This agenda item supports the policies outlined in the City's Legislative Program, as well as the following specific strategic priority and objective:

Strategic Priority: Strengthen Organizational Health

Objective: Strengthen Fiscal Sustainability – Maintain and expand fiscal sustainability

## NEXT STEPS

If Council adopts the attached resolution, staff will transmit copies of the resolution along with letters conveying the City of Hayward's opposition to the Taxpayer Protection and Government Accountability Act Ballot Measure (AG# 21-0042A1) to the League of California Cities/CalCities, as well as to appropriate legislative representatives. The full text of the draft letter can be found in Attachment III.

*Prepared by:* Rick Rivera, Management Analyst

*Recommended by:* Dustin Claussen, Assistant City Manager

Approved by:




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Kelly McAdoo, City Manager

<sup>8</sup> A.G. File No. 2021-042, Legislative Analyst's Office <https://lao.ca.gov/BallotAnalysis/Initiative/2021-042>



HAYWARD CITY COUNCIL

RESOLUTION NO. 23 -

Introduced by Council Member \_\_\_\_\_

RESOLUTION OPPOSING INITIATIVE 21-0042A1 ON THE NOVEMBER 2024 GENERAL ELECTION BALLOT, ENTITLED THE “TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT” AND AUTHORIZING THE MAYOR TO SIGN A LETTER OF OPPOSITION TO THE BALLOT MEASURE

WHEREAS, the City Council of the City of Hayward adopted a formal legislative program informing interested parties of the City’s stances on legislation, statewide referenda, grant funding opportunities, and local ballot measures; and

WHEREAS, the City’s legislative program is based on the principles of enhancing revenue sources and maintaining home rule authority by opposing legislation, referenda, and unfunded mandates that would have an adverse effect on the City’s fiscal stability or that would undermine or circumvent the City Charter; and

WHEREAS, on February 1, 2023, the California Secretary of State announced that Initiative 21-0042A1, also known as the “Taxpayer Protection and Government Accountability Act” had qualified for the November 2024 General Election Ballot with 1,075,585 valid signatures; and

WHEREAS, the ballot measure includes provisions that significantly curtail the ability of local governments and voters to enact, expand, or extend general and special taxes; and would limit voter input by prohibiting local advisory measures providing direction on how voters want tax revenues to be used; and

WHEREAS, the measure redefines many existing local fees and charges as taxes subject to these increased requirements; and

WHEREAS, the measure would require state and local governments to bear the burden of proving a fee or charge is not a tax and therefore exempt from increased requirements; and

WHEREAS, the League of California Cities has requested that the City of Hayward join the No on Initiative 21-0042A1 by providing it with a letter opposing the measure,

NOW, THEREFORE, BE IT RESOLVED that the Hayward City Council hereby authorizes the Mayor to sign letters opposing Initiative 21-0042A1, also known as the “Taxpayer Protection and Government Accountability Act”; and

**ATTACHMENT II**

BE IT FURTHER RESOLVED that the Hayward City Council hereby direct City staff to transmit copies of this resolution along with letters to the League of California Cities and other relevant officials.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

March 2, 2023

The Honorable Liz Ortega  
California State Assembly  
1020 O Street, Suite 5120  
Sacramento, CA 95814

The Honorable Aisha Wahab  
California State Senate  
1020 O Street, Suite 7330  
Sacramento, CA 95814

**RE: Taxpayer Protection and Government Accountability Act (Initiative 21-0042A1)  
City of Hayward – Notice of Opposition**

Dear Senator Wahab and Assembly Member Ortega:

On behalf of the City of Hayward, I write to express our opposition to Initiative 21-0042A1, entitled by its proponents as the “Taxpayer Protection and Government Accountability Act Initiative,” which would amend the California Constitution to restrict the ability of the state, local governments, and the electorate to approve or collect taxes, fees, and other revenues. The measure would require voter approval of all state taxes, would further restrict local fee authority by limiting it to the “minimum amount necessary” to provide government services, and would require voter approval for local measures such as franchise fees. Its provisions would make it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency’s characterization of a measure from being considered in court.

Specifically, this proposed initiative has three main components. First, it would expand the definition of a tax to include charges that the state and local governments refer to as fees, such as certain charges that are imposed for a benefit granted to a payer but not granted to those not charged. This would significantly alter the functional definition of taxes and would subject much needed revenue generation tools to greater vote requirements. Current law already imposes regulations on how local governments can levy fees, by requiring charges associated with fees to not exceed the reasonable costs of providing the associated product or service. The revenue that is generated from our taxes and fees goes to funding essential services, such as fire, police, public works, and parks and recreation.

Second, the initiative would establish new stringent approval requirements for increasing state and local taxes, whether sought by the governing body or the electorate. For local governments, any and all tax increases under the expanded definition of taxes mentioned above would first need to be approved by two-thirds of the legislative body before it is presented to the electorate for consideration. Further, all proposed increases must be placed before voters on a regularly scheduled general election as opposed to a special election, except in cases of emergency, which can only be declared under unanimous agreement of the legislative body. Adding these new requirements to raise or impose taxes severely undercuts the ability for local governments to respond to the needs of its residents and remain nimble under varying conditions. In the event that there are immediate community needs that cannot conjure unanimous support from the legislative body to address, our communities will suffer.



Third, this initiative would place any new tax or fee increase under extreme legal scrutiny and would invite anyone to take costly and lengthy legal action against a governing body. Specifically, the initiative would require that all new taxes or tax increases include highly technical information regarding its specified use, longevity, and estimated cost to the electorate. The inclusion of this explanatory criterion for the passage of new taxes would significantly increase liability for public officials that could result in significant damages. For instance, the initiative states that state and local governments bear the burden of providing clear and convincing evidence that the levy of a “fee” not subject to the onerous vote threshold requirements is not a tax under the new definition. In the event a private citizen or entity determines that the passage of a new fee or tax was unclear or that the amount is unreasonable, a local government could be subject to long and costly litigation.

Ultimately, tax and fee public policy has always dominated the states’ initiative process for decades. It’s important to understand that California has been largely divided on the topic because it relies on individual circumstances. As written, this measure will empower the state’s tax reform extremists to decimate the state and local governing processes by fixating on the hyper-specifics of tax policies, whose revenues are directed to serve the people.

The imposition of taxes and fees to fund public services is an essential tool of government. The COVID pandemic laid bare the necessity of allowing governing bodies at all levels of government to act immediately in order to provide to their communities during times of emergency. The Taxpayer Protection and Government Accountability Act Initiative would impose onerous and undemocratic restrictions on local governments and local voters that would reduce local revenues by billions every year and would harm the function of virtually all local services. For these reasons, the City of Hayward opposes Initiative 21-0042A1.

Sincerely,

Mark Salinas  
Mayor, City of Hayward

Cc: Hayward City Council  
Kelly McAdoo, City Manager  
Eric Thronson, Deputy Director, Townsend Public Affairs, Inc.



## The Taxpayer Protection and Government Accountability Act

[Deleted codified text is denoted in ~~strikeout~~. Added codified text is denoted by *italics and underline*.]

### Section 1. Title

This Act shall be known, and may be cited as, the Taxpayer Protection and Government Accountability Act.

### Section 2. Findings and Declarations

(a) Californians are overtaxed. We pay the nation's highest state income tax, sales tax, and gasoline tax. According to the U.S. Census Bureau, California's combined state and local tax burden is the highest in the nation. Despite this, and despite two consecutive years of obscene revenue surpluses, state politicians in 2021 alone introduced legislation to raise more than \$234 *billion* in new and higher taxes and fees.

(b) Taxes are only part of the reason for California's rising cost-of-living crisis. Californians pay billions more in hidden "fees" passed through to consumers in the price they pay for products, services, food, fuel, utilities and housing. Since 2010, government revenue from state and local "fees" has more than doubled.

(c) California's high cost of living not only contributes to the state's skyrocketing rates of poverty and homelessness, they are the pushing working families and job-providing businesses out of the state. The most recent Census showed that California's population dropped for the first time in history, costing us a seat in Congress. In the past four years, nearly 300 major corporations relocated to other states, not counting thousands more small businesses that were forced to move, sell or close.

(d) California voters have tried repeatedly, at great expense, to assert control over whether and how taxes and fees are raised. We have enacted a series of measures to make taxes more predictable, to limit what passes as a "fee," to require voter approval, and to guarantee transparency and accountability. These measures include Proposition 13 (1978), Proposition 62 (1986), Proposition 218 (1996), and Proposition 26 (2010).

(e) Contrary to the voters' intent, these measures that were designed to control taxes, spending and accountability, have been weakened and hamstrung by the Legislature, government lawyers, and the courts, making it necessary to pass yet another initiative to close loopholes and reverse hostile court decisions.

### Section 3. Statement of Purpose

(a) In enacting this measure, the voters reassert their right to a voice and a vote on new and higher taxes by requiring any new or higher tax to be put before voters for approval. Voters also intend that all fees and other charges are passed or rejected by the voters themselves or a governing body elected by voters and not unelected and unaccountable bureaucrats.

(b) Furthermore, the purpose and intent of the voters in enacting this measure is to increase transparency and accountability over higher taxes and charges by requiring any tax measure placed on the ballot—

either at the state or local level—to clearly state the type and rate of any tax, how long it will be in effect, and the use of the revenue generated by the tax.

(c) Furthermore, the purpose and intent of the voters in enacting this measure is to clarify that any new or increased form of state government revenue, by any name or manner of extraction paid directly or indirectly by Californians, shall be authorized only by a vote of the Legislature and signature of the Governor to ensure that the purposes for such charges are broadly supported and transparently debated.

(d) Furthermore, the purpose and intent of the voters in enacting this measure is also to ensure that taxpayers have the right and ability to effectively balance new or increased taxes and other charges with the rapidly increasing costs Californians are already paying for housing, food, childcare, gasoline, energy, healthcare, education, and other basic costs of living, and to further protect the existing constitutional limit on property taxes and ensure that the revenue from such taxes remains local, without changing or superseding existing constitutional provisions contained in Section 1(c) of Article XIII A.

(e) In enacting this measure, the voters also additionally intend to reverse loopholes in the legislative two-thirds vote and voter approval requirements for government revenue increases created by the courts including, but not limited to, *Cannabis Coalition v. City of Upland*, *Chamber of Commerce v. Air Resources Board*, *Schmeer v. Los Angeles County*, *Johnson v. County of Mendocino*, *Citizens Assn. of Sunset Beach v. Orange County Local Agency Formation Commission*, and *Wilde v. City of Dunsmuir*.

Section 4. Section 3 of Article XIII A of the California Constitution is amended to read:

Sec. 3(a) Every levy, charge, or exaction of any kind imposed by state law is either a tax or an exempt charge.

(b)(1) (a) Any change in state statute law which results in any taxpayer paying a new or higher tax must be imposed by an act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, and submitted to the electorate and approved by a majority vote, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property, may be imposed. Each Act shall include:

(A) A specific duration of time that the tax will be imposed and an estimate of the annual amount expected to be derived from the tax.

(B) A specific and legally binding and enforceable limitation on how the revenue from the tax can be spent. If the revenue from the tax can be spent for unrestricted general revenue purposes, then a statement that the tax revenue can be spent for "unrestricted general revenue purposes" shall be included in a separate, stand-alone section. Any proposed change to the use of the revenue from the tax shall be adopted by a separate act that is passed by not less than two-thirds of all members elected to each of the two houses of the Legislature and submitted to the electorate and approved by a majority vote.

(2) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, including a measure proposed by an elector pursuant to Article II, include:

(A) The type and amount or rate of the tax;

(B) The duration of the tax; and

(C) The use of the revenue derived from the tax.

(c) Any change in state law which results in any taxpayer paying a new or higher exempt charge must be imposed by an act passed by each of the two houses of the Legislature. Each act shall specify the type of exempt charge as provided in subdivision (e), and the amount or rate of the exempt charge to be imposed.

(d) ~~(b)~~ As used in this section and in Section 9 of Article II, "tax" means every ~~any~~ levy, charge, or exaction of any kind imposed by the State state law that is not an exempt charge, except the following:

(e) As used in this section, "exempt charge" means only the following:

~~(1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor.~~

(1) ~~(2)~~ A reasonable charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the State of providing the service or product to the payor.

(2) ~~(3)~~ A charge imposed for the reasonable regulatory costs to the State incident to issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

(3) A levy, charge, or exaction collected from local units of government, health care providers or health care service plans that is primarily used by the State of California for the purposes of increasing reimbursement rates or payments under the Medi-Cal program, and the revenues of which are primarily used to finance the non-federal portion of Medi-Cal medical assistance expenditures.

(4) A reasonable charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by Section 15 of Article XI.

(5) A fine, or penalty, ~~or other monetary charge~~ including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or the State, as a result of a state administrative enforcement agency pursuant to adjudicatory due process, to punish a violation of law.

(6) A levy, charge, assessment, or exaction collected for the promotion of California tourism pursuant to Chapter 1 (commencing with Section 13995) of Part 4.7 of Division 3 of Title 2 of the Government Code.

(f) ~~(e)~~ Any tax or exempt charge adopted after January 1, ~~2010~~ 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted by the Legislature and signed into law by the Governor in compliance with the requirements of this section.

(g) ~~(1) (d)~~ The State bears the burden of proving by a preponderance of the clear and convincing evidence that a levy, charge, or other exaction is an exempt charge and not a tax. The State bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor, ~~that the amount is no more than necessary to cover the reasonable costs of the governmental activity and~~

that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by state law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind as being voluntary, or paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be a factor in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(h) As used in this section:

(1) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(2) "Extend" includes, but is not limited to, doing any of the following with respect to a tax or exempt charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.

(3) "Impose" means adopt, enact, reenact, create, establish, collect, increase or extend.

(4) "State law" includes, but is not limited to, any state statute, state regulation, state executive order, state resolution, state ruling, state opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by the legislative or executive branches of state government. "State law" does not include actions taken by the Regents of the University of California, Trustees of the California State University, or the Board of Governors of the California Community Colleges.

Section 5. Section 1 of Article XIII C of the California Constitution is amended, to read:

Sec. 1. Definitions. As used in this article:

(a) "Actual cost" of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.

(b) "Extend" includes, but is not limited to, doing any of the following with respect to a tax, exempt charge, or Article XIII D assessment, fee, or charge: lengthening its duration, delaying or eliminating its expiration, expanding its application to a new territory or class of payor, or expanding the base to which its rate is applied.



~~(c)~~ (a) "General tax" means any tax imposed for general governmental purposes.

~~(d)~~ "Impose" means adopt, enact, reenact, create, establish, collect, increase, or extend.

~~(e)~~ (b) "Local government" means any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity, or an elector pursuant to Article II or the initiative power provided by a charter or statute.

~~(f)~~ "Local law" includes, but is not limited to, any ordinance, resolution, regulation, ruling, opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by a local government.

~~(g)~~ (c) "Special district" means an agency of the State, formed pursuant to general law or a special act, for the local performance of governmental or proprietary functions with limited geographic boundaries including, but not limited to, school districts and redevelopment agencies.

~~(h)~~ (d) "Special tax" means any tax imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund.

~~(i)~~ (e) As used in this article, and in Section 9 of Article II, "tax" means every any-levy, charge, or exaction of any kind, imposed by a local government law that is not an exempt charge., except the following:

~~(i)~~ As used in this section, "exempt charge" means only the following:

~~(1)~~ A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

~~(1)~~ (2) A reasonable charge imposed for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable actual costs to the local government of providing the service or product.

~~(2)~~ (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

~~(3)~~ (4) A reasonable charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

~~(4)~~ (5) A fine, or penalty, or other monetary charge including any applicable interest for nonpayment thereof, imposed by the judicial branch of government or a local government administrative enforcement agency pursuant to adjudicatory due process, as a result of to punish a violation of law.

~~(5)~~ (6) A charge imposed as a condition of property development. No levy, charge, or exaction regulating or related to vehicle miles traveled may be imposed as a condition of property development or occupancy.

~~(6)~~ (7) An Assessments and property related fees assessment, fee, or charge imposed in accordance with the provisions of subject to Article XIII D, or an assessment imposed upon a business in a tourism marketing district, a parking and business improvement area, or a property and business improvement district.

(7) A charge imposed for a specific health care service provided directly to the payor and that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the health care service. As used in this paragraph, a "health care service" means a service licensed or exempt from licensure by the state pursuant to Chapters 1, 1.3, or 2 of Division 2 of the Health and Safety Code.

The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Section 6. Section 2 of Article XIII C of the California Constitution is amended to read:

Sec. 2. Local Government Tax Limitation. Notwithstanding any other provision of this Constitution:

(a) Every levy, charge, or exaction of any kind imposed by local law is either a tax or an exempt charge. All taxes imposed by any local government shall be deemed to be either general taxes or special taxes. Special purpose districts or agencies, including school districts, shall have no power to levy general taxes.

(b) No local law government, whether proposed by the governing body or by an elector, may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.

(c) Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, shall continue to be imposed only if approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held within two years of the effective date of this article and in compliance with subdivision (b). ~~(d) No local law government, whether proposed by the governing body or by an elector, may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.~~

(d) The title and summary and ballot label or question required for a measure pursuant to the Elections Code shall, for each measure providing for the imposition of a tax, include:

(1) The type and amount or rate of the tax;

(2) the duration of the tax; and

(3) The use of the revenue derived from the tax. If the proposed tax is a general tax, the phrase "for general government use" shall be required, and no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could, or should be used for a specific purpose.

(e) Only the governing body of a local government, other than an elector pursuant to Article II or the initiative power provided by a charter or statute, shall have the authority to impose any exempt charge. The governing body shall impose an exempt charge by an ordinance specifying the type of exempt charge

as provided in Section 1(j) and the amount or rate of the exempt charge to be imposed, and passed by the governing body. This subdivision shall not apply to charges specified in paragraph (7) of subdivision (i) of Section 1.

(f) No amendment to a Charter which provides for the imposition, extension, or increase of a tax or exempt charge shall be submitted to or approved by the electors, nor shall any such amendment to a Charter hereafter submitted to or approved by the electors become effective for any purpose.

(g) Any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge is reenacted in compliance with the requirements of this section.

(h)(1) The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax. The local government bears the burden of proving by clear and convincing evidence that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

(2) The retention of revenue by, or the payment to, a non-governmental entity of a levy, charge, or exaction of any kind imposed by a local law, shall not be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

(3) The characterization of a levy, charge, or exaction of any kind imposed by a local law as being paid in exchange for a benefit, privilege, allowance, authorization, or asset, shall not be factors in determining whether the levy, charge, or exaction is a tax or an exempt charge.

(4) The use of revenue derived from the levy, charge or exaction shall be a factor in determining whether the levy, charge, or exaction is a tax or exempt charge.

Section 7. Section 3 of Article XIII D of the California Constitution is amended, to read:

Sec. 3. Property Taxes, Assessments, Fees and Charges Limited

(a) No tax, assessment, fee, ~~or~~ charge, or surcharge, including a surcharge based on the value of property, shall be assessed ~~by any agency~~ upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax ~~imposed pursuant to~~ described in Section 1(a) of Article XIII and Section 1(a) of Article XIII A, and described and enacted pursuant to the voter approval requirement in Section 1(b) of Article XIII A.

(2) Any special non-ad valorem tax receiving a two-thirds vote of qualified electors pursuant to Section 4 of Article XIII A, or after receiving a two-thirds vote of those authorized to vote in a community facilities district by the Legislature pursuant to statute as it existed on December 31, 2021.

(3) Assessments as provided by this article.

(4) Fees or charges for property related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.

Section 8. Sections 1 and 14 of Article XIII are amended to read:

Sec. 1 Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value.

(c) All proceeds from the taxation of property shall be apportioned according to law to the districts within the counties.

Sec. 14. All property taxed by state or local government shall be assessed in the county, city, and district in which it is situated. Notwithstanding any other provision of law, such state or local property taxes shall be apportioned according to law to the districts within the counties.

Section 9. General Provisions

A. This Act shall be liberally construed in order to effectuate its purposes.

B. (1) In the event that this initiative measure and another initiative measure or measures relating to state or local requirements for the imposition, adoption, creation, or establishment of taxes, charges, and other revenue measures shall appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(2) In furtherance of this provision, the voters hereby declare that this measure conflicts with the provisions of the "Housing Affordability and Tax Cut Act of 2022" and "The Tax Cut and Housing Affordability Act," both of which would impose a new state property tax (called a "surcharge") on certain real property, and where the revenue derived from the tax is provided to the State, rather than retained in the county in which the property is situated and for the use of the county and cities and districts within the county, in direct violation of the provisions of this initiative.

(3) If this initiative measure is approved by the voters, but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting initiative is later held invalid, this measure shall be self-executing and given full force and effect.

C. The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not

declared invalid or unconstitutional without regard to whether any portion of this Act or application thereof would be subsequently declared invalid.

D. If this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of state or federal law, and both the Governor and Attorney General refuse to defend this Act, then the following actions shall be taken:

(1) Notwithstanding anything to the contrary contained in Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(2) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act. The written affirmation shall be made publicly available upon request.

(3) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.

(4) Nothing in this section shall prohibit the proponents of this Act, or a bona fide taxpayers association, from intervening to defend this Act.



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-182

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt a Resolution Approving Plans and Specifications and Calling for Bids for Traffic Signal Modification on Jackson Street as Part of the Route 238 Corridor Improvement Phase 2 Project No. 05270

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) approving the plans and specifications, and calling for bids to be received on May 9, 2023, for the Traffic Signal Modification at Jackson Street, which will take place as part of the Route 238 Corridor Improvement Phase 2 Project No. 05270.

**SUMMARY**

This Project proposes signal upgrade and improvements, particularly for enhancing traffic flow, which includes installing new controllers, Sydney Coordinated Adaptive Traffic Systems (SCATS), and video detection systems, at these four intersections:

1. Jackson St/Amador St-Cypress Ave;
2. Jackson St/Soto Rd;
3. Jackson St/Winton Ave; and
4. Jackson St/Meek Ave-Silva Ave.

This report requests approval of the plans and specifications and calling for bids for the project. Funding for this project was obtained through a cooperative agreement with the California Department of Transportation (Caltrans) for a total of \$531,000. The total Project cost is estimated at \$531,000, which includes \$352,000 for construction with an additive bid alternate item should bidding allow.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Location Map



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### **BACKGROUND**

The Local Alternative Transportation Improvement Plan (LATIP) was approved by Caltrans on November 19, 2009, for the purpose of supporting the Central Alameda County LATIP to fill the highway transportation infrastructure needs that were created when the Route 238 Hayward Bypass project was not pursued. The California Transportation Commission (CTC) approved the LATIP resolution on June 30, 2010. Projects included in the LATIP are funded from proceeds of the sale of the properties

originally purchased for the now defunct Hayward Bypass Project. One of the top priority projects in the LATIP was the Route 238 Corridor Improvement Project in the City of Hayward, which was programmed with a total of \$30 million in LATIP funds. This project included the design and construction of the Mission Boulevard Corridor Improvement project, which was to be constructed in the three phases described as follows:

Phase 1 included roadway and street improvements on Mission Boulevard (SR-238) from A Street to Industrial Parkway, Jackson Street (SR-92) from Watkins Street to Mission Boulevard. The CTC allocated \$8.1 million LATIP funds in August 2013 for Phase 1 construction, which was completed in January 2014.

Phase 2 included roadway and street improvements on Mission Boulevard (SR-238) from Industrial Parkway to the south City limit and Jackson Street (SR-92) from Watkins Street to Santa Clara Street. Improvements on Jackson Street was limited to the addition of the SCATS to the traffic signals at the intersections on Jackson Street within the project limits. The CTC allocated \$2 million for the design phase for Phase 2 and Phase 3 (preliminary design) in August 2014, and \$19.9 million for the construction phase in October 2017. Construction for this segment on Mission Boulevard was completed in April 2021.

Phase 3 improvements are on Mission Boulevard (SR-185) from A Street to the north City limit. This phase of the project is currently in the bid process and anticipated to begin construction this summer and will utilize local funds.

Due to time constraints, the Jackson Street project was taken out from the Mission Blvd project - Corridor Improvements Phase 2 project. Caltrans has since asked the City to complete this portion of work as it was in the original scope. On June 28, 2022, Council adopted a resolution authorizing the City Manager to execute a cooperative agreement with Caltrans to implement this signal modification to alleviate the existing traffic queue on Jackson Street and for the reimbursement of \$531,000 from the LATIP funds.

## **DISCUSSION**

This project proposes signal upgrade and improvements, particularly for enhancing traffic flow, which includes installing new controllers, Sydney Coordinated Adaptive Traffic Systems (SCATS), and video detection systems, at these four intersections:

1. Jackson St/Amador St-Cypress Ave;
2. Jackson St/Soto Rd;
3. Jackson St/Winton Ave; and
4. Jackson St/Meek Ave-Silva Ave.

Modifying the existing signal operations with new video detection and SCATS will reduce traffic delays and queuing at the intersections, which in turn will also improve pedestrian and bicycle safety. Upgrading existing communication between the four intersections will reduce traffic queuing and improve traffic flow during peak hour traffic.

Staff was successful in obtaining a cooperative agreement with Caltrans for improvements to the State Highway System per the California Streets and Highways Code Sections 114 and



130. Caltrans will fund the City with \$531,000 from LATIP funds, which covers 100% of the construction and engineering services/staff cost for the Traffic Signal Modification for the Jackson Street Project. The total Project cost is estimated at \$531,000, which includes \$352,000 for construction and an additive bid alternate item should bidding allow. The bid alternate item includes battery backup systems for the cabinets. However, the bid alternative item is contingent on the actual bids received and may be excluded from the project due to the cooperative agreement limit of \$531,000.

This project is categorically exempt for environmental review under Section 15301(c) of the California Environmental Quality Act (CEQA) Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. The agreement requires contractors to use local union hiring halls, encourages contractors to employ Hayward residents or Hayward Unified School District graduates, and requires hired workers to pay union dues and other benefit trust fund contributions, etc. Because the construction cost estimate for this Project is less than \$1,000,000, the CWA agreement does not apply to this project.

### **ECONOMIC IMPACT**

Improvements to the City's traffic signal system make the overall transportation system more efficient which may result in positive economic benefits for businesses around the area.

### **FISCAL IMPACT**

This work has an estimated cost of \$531,000 and will be 100% reimbursed by LATIP funds, as stipulated in the Caltrans Cooperative Agreement. The Route 238 Corridor Improvement Phase 2 Project No. 05270 in Route 238 Corridor Improvement Fund 410 has sufficient funding to cover the upfront costs related to this effort.

The estimated project costs are as follows:

Construction Contract	\$352,000
Contingencies	35,000
Design and Administration	54,000
Inspection, Survey, and CM	<u>90,000</u>
<b>TOTAL</b>	<b>\$531,000</b>

### **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Invest in Infrastructure.

### **SUSTAINABILITY FEATURES**

Improvements to the traffic signals will reduce environmental impacts like greenhouse gas

emissions and enhance the overall quality of life for residents and businesses.

This project is categorically exempt from environmental review pursuant to Section 15301(c) of the CEQA Guidelines because it is a project consisting of repair, maintenance or minor alteration of existing structures or facilities and involves negligible or no expansion of the existing use.

**PUBLIC CONTACT**

Immediately after the construction contract is awarded, a preliminary notice explaining the project will be distributed to the businesses and residences adjacent to the limits of work. After the construction work has been scheduled, businesses and residences will be notified at least seven-two hours prior to actual commencement of work.

**SCHEDULE**

The estimated schedule for this project is as follows:

Call for Bids	April 11, 2023
Open Bids	May 9, 2023
Award Construction Contract	June 6, 2023
Begin Construction	Mid July 2023
Complete Construction	Mid September 2023

**NEXT STEP**

After staff evaluates the bid results, staff will return to Council with the recommendation for award of the construction contract.

*Prepared by:* Kevin Yoshiki, Assistant Civil Engineer  
Kathy Garcia, Deputy Director of Public Works

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

Approved by:



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND CALL FOR BIDS  
FOR TRAFFIC SIGNAL MODIFICATION AT JACKSON STREET PROJECT,  
PROJECT NO. 05270

WHEREAS, those certain plans and specifications for Traffic Signal Modification at Jackson Street Project No. 05270 on file in the office of the City Clerk, are hereby adopted as plans and specifications for the project; and

WHEREAS, the City Clerk is hereby directed to cause a notice calling for bids for the required work and material to be made in the form and manner provided by law; and

WHEREAS, sealed bids therefor will be received by the City Clerk's office at City Hall, 777 B Street, First Floor, Hayward, California 94541, up to the hour of 2:00 p.m. on Tuesday May 9, 2023, and immediately thereafter publicly opened and declared by the City Clerk in the Rotunda, First Floor, at City Hall.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Hayward will consider a report on the bids at a regular meeting following the aforesaid opening and declaration of same.

BE IT FURTHER RESOLVED that the project is categorically exempt for environmental review under Section 15301(c) of the California Environmental Quality Act Guidelines for the operation, repair, maintenance, or minor alteration of existing facilities.

IN COUNCIL, HAYWARD, CALIFORNIA

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

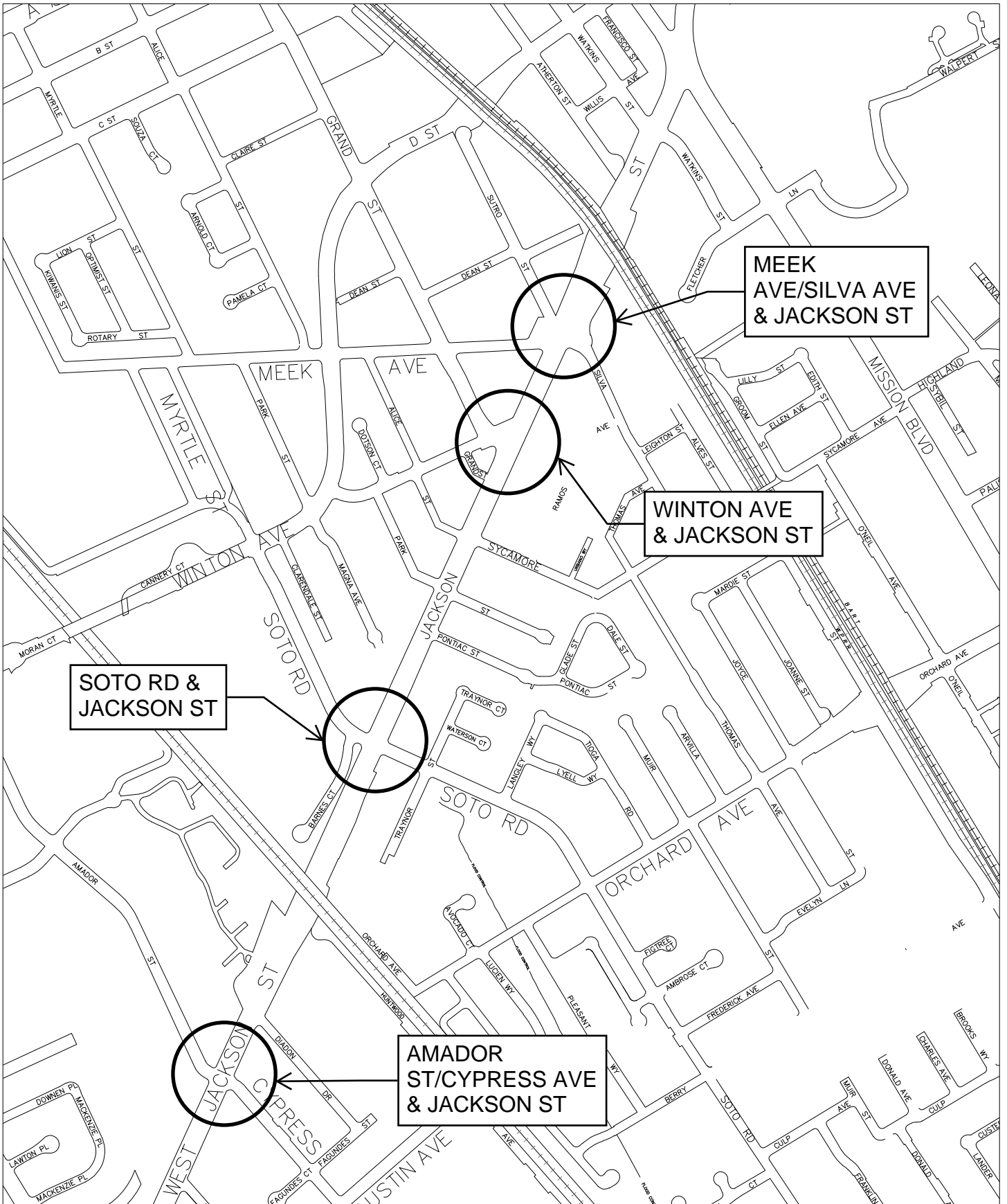
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



**TRAFFIC SIGNAL UPGRADE  
JACKSON STREET  
PROJECT NO. 05270  
LOCATION MAP**



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

**File #:** CONS 23-184

**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Adopt a Resolution Approving the FY 2024 Measure B/BB Annual Paratransit Program Plan and Authorizing the City Manager to Execute FY 2024 Service Agreements for the Continued Provision of Measure B/BB Funded Paratransit Services

**RECOMMENDATION**

That Council:

1. Adopts a resolution (Attachment II) authorizing the FY 2024 Measure B/BB Annual Paratransit Program Plan, including the continued provision of the Hayward Operated Paratransit (HOP) programs; and
2. Authorizes the City Manager to execute FY 2024 service agreements for the continued provision of Measure B/BB funded paratransit services.

**SUMMARY**

This report provides an overview of the Hayward Operated Paratransit program’s FY 2024 Annual Paratransit Program Plan, estimated program costs, and next steps. The Measure B/BB funding recommendations are summarized by category and service provider in Table 1 below.

**Table 1. FY 2024 Estimated Program Cost**

<b>CATEGORY</b>	<b>AMOUNT</b>
<b>Program Administration</b>	\$500,000
<b>Research, Marketing &amp; Data Collection</b>	\$125,000
<b>Service Providers/Program</b>	
RydeTrans (Group Trips)	\$75,000
ASEB (Specialized Transportation)	\$75,000
CRIL (Travel Training)	\$50,000
HOP Means-Based Fare Program	\$50,000
SOS Meals on Wheels (Meal Delivery)	\$100,000

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**File #:** CONS 23-184

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LIFE ElderCare (Door-through-Door)	\$154,574
Eden I&R (On-demand rides, includes ride subsidies)	\$272,619
Safe Route for Seniors Project (Capital)	\$750,000
HOP Program Evaluation Pilot(s)	\$100,000
<b>Total</b>	<b>\$2,252,193</b>

## **ATTACHMENTS**

Attachment I      Staff Report  
Attachment II      Resolution  
Attachment II      Funding Recommendations  
Attachment IV      Paratransit Program Plan Application



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT:** Adopt a Resolution Approving the FY 2024 Measure B/BB Annual Paratransit Program Plan and Authorizing the City Manager to Execute FY 2024 Service Agreements for the Continued Provision of Measure B/BB Funded Paratransit Services

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<b>Total</b>	<b>\$2,252,193</b>



## **BACKGROUND**

The City of Hayward submits an Annual Paratransit Program Plan to the Alameda County Transportation Commission (Alameda CTC) detailing the proposed parameters of paratransit service for seniors (70+) and people with certified disabilities. The Hayward Operated Paratransit (HOP) program, administered by the City's Community Services Division, provides paratransit and related services to eligible enrolled riders and their attendants who live in Hayward and the surrounding unincorporated areas.

In 2000, Alameda County voters approved the reauthorization of Measure B, the half-cent transportation sales tax, to deliver essential transportation services and improvements. In November 2014, Alameda County voters approved Measure BB, authorizing the extension and augmentation of Measure B to invest in capital projects addressing local transportation needs and programs that improve countywide transportation systems through March 31, 2045. The full one-cent sales tax authorized by Measure BB will begin April 1, 2022, and will extend through March 31, 2045. The Hayward Operated Paratransit (HOP) program is funded in its entirety by Alameda County Measure B/BB Direct Local Distribution, administered by Alameda County Transportation Commission (Alameda CTC).

In February each year, the City of Hayward submits an Annual Paratransit Program Plan to the Alameda CTC detailing the proposed parameters of eligible paratransit service for seniors (70+) and people with certified disabilities. Alameda CTC staff reviews the City's program plans and provides initial feedback. In April, the proposed Annual Paratransit Program Plan is presented to the Council for review and approval. The finalized plan is presented to the Alameda CTC's Paratransit Advisory and Planning Committee (PAPCO) in late April.

## **DISCUSSION**

East Bay Paratransit (operated by AC Transit and BART) is the primary paratransit service for Alameda County residents. HOP is designed to complement and supplement the East Bay Paratransit service when it is unable to provide service or meet the needs of HOP participants. As a City program, HOP is uniquely positioned to extend flexible and creative solutions to meet the unique needs of its riders.

The HOP engages community partners to carry out all services through the Annual Paratransit Program Plan subject to Measure B/BB funding availability. The following provides a summary of the partners that assist the City in implementing the HOP:

### *Transportation for Seniors*

The HOP partners with Eden I&R (Eden) to offer transportation network company (TNC) based rides, such as Lyft Concierge and Uber Health, to eligible residents. Eden arranges the ride with the TNC on behalf of clients through a web-based platform, eliminating the need for a smartphone to access the service. Pre-scheduled, accessible group trips are offered, in partnership with RydeTrans (formerly A-Paratransit), to enrolled HOP riders. Group trips offer participants social outings to reduce isolation.

### *Volunteer Driver Program*

LIFE Eldercare matches screened volunteers driving their own personal vehicles with senior and disabled adults. The volunteers provide “door-to-door” service, acting as attendants who help with medical appointments, shopping, various errands, and other mobility-related services.

### *Specialty Transit*

Alzheimer’s Services of the East Bay (ASEB) provides services for individuals with dementia and their families. ASEB provides Adult Day Care, family support, and education to enable individuals to remain living in their homes for as long as possible. ASEB hires specially trained drivers to operate lift-equipped vehicles to provide transportation to its Adult Day Care program.

### *Travel Trainer*

Community Resources for Independent Living (CRIL) provides travel training workshops to people with mobility challenges through excursions on various modes of Bay Area transportation (including BART, AC Transit, and the HOP).

### *Meals-on-Wheels*

Service Opportunities for Seniors (SOS) Meals on Wheels provides homebound seniors with nutritious meals delivered by volunteer drivers.

### *Capital Project*

The Safe Routes for Seniors (SR4S) Program is a collaborative effort between the City’s Community Services Division, Public Works’ Transportation Division, local senior housing facilities, senior centers, and community-based organizations. Through these partnerships, the City is working to identify areas in Hayward to focus accessibility and walkability improvements.

More detailed information about each of these programs is available in Attachment IV.

## **Existing Project Updates**

1. **VIP ZIP program:** In July 2020, the HOP’s VIP ZIP program administrator transitioned to Eden I&R (Alameda County 2-1-1), a provider that has experience in operating as a call center and has over forty years of experience serving Alameda County. Eden I&R has been essential during the COVID-19 pandemic, often connecting riders to other County resources. Since FY 2022, HOP and Eden I&R piloted an extension of the VIP ZIP program to enhance the reliability of wheelchair-accessible vehicles (WAV) available for riders who require WAV rides through the VIP ZIP program.

*Status: Continuing in FY 2023-2024*

2. **Safe Routes for Seniors Program:** In FY 2020, the HOP executed an MOU with the Public Works Department to allocate Measure BB funds for Americans with Disabilities Act (ADA) street improvements at or near senior/disabled housing developments. On

January 18, 2022<sup>1</sup>, Council approved the plans and specifications, and call for bids for the Safe Routes for Seniors (SR4S) Project. The Project consists of streetscape improvements including the expansion of ADA curb-cuts and sidewalk bulb-outs (widening) to accommodate various mobility devices at four intersections located in the Downtown Hayward area. The construction contract was awarded in February 2022. The estimated construction duration was 150 days, with a tentative completion date in FY 2023. This project faced delays due to supply chain issues and a wet winter season. Construction will continue into the summer of 2023. Simultaneously, in FY 2024 HOP will support the design phase of a second location in South Hayward.  
*Status: Continuing in FY 2023-2024*

- 3. Travel Trainer:** At the onset of the pandemic, CRIL paused its in-person travel training workshops. Travel training is mainly provided virtually and through telephone support. Prior to the end of state and local public health emergencies, CRIL had begun to offer in-person travel training by appointment. Staff are working with consultants to evaluate CRIL's ability to provide adequate service to the Hayward community and may consider additional partnerships to meet current needs.  
*Status: Continuing in FY 2023-2024*

- 4. Group Trips:** HOP had suspended group trips based on the County's guidelines and recommendations for social distancing. Currently, HOP is working with consultants and conferring with neighboring jurisdictions to prepare a plan to resume services. Notice will be provided to HOP participants when services become available.  
*Status: Continuing in FY 2023-2024*

- 5. Consulting Services:** As part of the FY 2023 Program Plan, Council authorized funding for consulting services to conduct a comprehensive program evaluation to address ongoing challenges and potential long-term impacts of COVID-19 on public transportation and paratransit services.  
*Status: Continuing in FY 2023-2024*

### **COVID-19 Program Impacts**

While COVID-19 has impacted many programs and will likely have long-term implications on service delivery, HOP has noticed an increase in the demand for transportation services over the last year. While many seniors, identified as individuals who are at higher risk for serious illness, remain at home and practice social distancing, there has been an increase in new registrants and many existing riders who are resuming some level of travel. As part of service delivery planning, staff will take lessons learned from the pandemic to better inform future programming and build in ways to apply adaptive service delivery models to respond to potential impacts.

### **FY 2022 Outcomes**

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<sup>1</sup> January 18, 2022, City Council Staff Report  
<https://hayward.legistar.com/LegislationDetail.aspx?ID=5382580&GUID=15E9CEE7-48E8-4D11-832D-54CC341FC16E&Options=&Search=>

In FY 2022, the City awarded \$507,579 to local non-profits and paratransit service partners that provide services to HOP participants. Council also approved the allocation of an additional \$1,000,000 toward infrastructure improvements through the SR4S program. In FY 2022, the HOP program served 2,281 individuals, providing participants over 10,000 rides and delivering over 108,926 meals to homebound seniors.

### **Future Projects**

In FY 2023, Council authorized funding to engage a consultant to conduct a comprehensive evaluation of HOP services. On September 20, 2022<sup>2</sup>, Council authorized a professional services agreement with Nelson Nygaard to perform this evaluation. The purpose of this evaluation is to identify service gaps, outreach opportunities, and ways to improve services in order to meet the needs of seniors and individuals with disabilities in Hayward and the surrounding unincorporated areas. This process will include an evaluation of existing conditions, service provider input, public engagement, and the creation of a temporary technical advisory committee comprised of eligible seniors and individuals with disabilities, current HOP riders, service partners, and several senior living facilities staff. City staff is proposing to allocate a portion of the FY 2024 program budget towards the implementation of HOP program improvements in the form of various pilot programs. There is sufficient funding to support the planning and implementation of future service improvement efforts.

### **ECONOMIC IMPACT**

The HOP is supported exclusively by Alameda County Measure B/BB funds. The service offers cost-effective transportation alternatives for eligible residents on fixed incomes. Caregivers also benefit when loved ones have reliable transportation options.

### **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to improving access and mobility and the implementation of the following project:

*Project 8, Parts 8.e, 8.f:            Implement the Bike and Ped Master Plan  
   Assess Safe Route for Seniors in the downtown area  
   Implement Route for Seniors in the downtown area*

Through the joint efforts of HOP and Hayward Public Works, the SR4S project will address the need for streetscape improvements to expand accessibility for seniors starting in the Downtown area with plans to implement phase 2 in the Tennyson neighborhood. As a result, these modifications will improve accessibility and walkability for all.

### **FISCAL IMPACT**

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<sup>2</sup> September 20, 2022, City Council Staff Report and Attachments  
<https://hayward.legistar.com/LegislationDetail.aspx?ID=5844300&GUID=E15BD613-3440-4CD0-A242-3B2771713769&Options=&Search=>

The proposed FY 2024 Annual Paratransit Program Plan has no impact to the City's General Fund. The program costs, including City staff and administrative costs, are entirely offset by the City's Measure B reserves and Measure BB Paratransit special revenue funds derived from Measure B/BB sales tax revenues. There is sufficient fund balance to support the FY 2024 estimated program costs. Funding details can be found in Attachment III.

### **SUSTAINABILITY FEATURES**

Several paratransit programs promote the use of public transportation and vehicle sharing, thereby reducing the number of vehicles on the road, as well as associated emissions.

### **PUBLIC CONTACT**

The Paratransit Program Plan is typically presented at various organizations that serve seniors and people with disabilities throughout the year. Public feedback is received, and based on the feedback collected, staff evaluates the program and recommends changes in order to meet the unique needs of the community. On October 19, 2022, staff made an in-person public presentation at the Baywood Court Senior Community and received feedback on the HOP program. Staff will work with Nelson Nygaard to continue to conduct community outreach and engage stakeholders prior to the development and implementation of program changes. Some planned efforts include tabling at local farmer's markets within the service area (Hayward, San Leandro, Castro Valley), presentations at local libraries, and presentations at senior living facilities and senior centers that have reopened to the public.

The Annual Program Plan will also be posted on the City's website for viewing. Interested parties will have the opportunity to provide feedback up until April 15, 2023, at which time PAPCO will review and act on the plan.

### **NEXT STEPS**

Staff recommends that Council adopts the attached resolution approving the FY 2024 Annual Paratransit Program Plan and authorizing the City Manager to negotiate and execute all agreements necessary for program implementation. Should Council adopt the resolution, staff will meet with representatives from each contracting agency to facilitate contract execution so that there will be a continuation of delivery of Paratransit services.

*Prepared by:* A. Alejandro Mora, Community Programs Specialist  
Carol Lee, Management Analyst

*Recommended by:* Jessica Lobedan, Community Services Manager  
Regina Youngblood, Assistant City Manager

Approved by:



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Kelly McAadoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT AN ANNUAL PARATRANSIT PLAN AND NEGOTIATE AND EXECUTE ALL DOCUMENTS RELATED TO AND IN SUPPORT OF PARATRANSIT ACTIVITIES INCLUDING THE ADMINISTRATION OF THE HAYWARD OPERATED PARATRANSIT (HOP) PROGRAM

WHEREAS, voters approved the 20-year Measure BB half-cent transportation sales tax on November 4, 2014 and the funding agreement of the measure between the Alameda County Transportation Commission and the City of Hayward; and

WHEREAS, the full one-cent sales tax authorized by Measure BB will begin April 1, 2022, and will extend through March 31, 2045; and

WHEREAS, the Hayward Operated Paratransit (HOP) program is funded in its entirety by Alameda County Measure B/BB Direct Local Distribution, administered by Alameda County Transportation Commission (Alameda CTC); and

WHEREAS, East Bay Paratransit (operated by AC Transit and BART) is the primary paratransit service for Alameda County residents; and

WHEREAS, the City's Hayward Operated Paratransit program is designed to complement and supplement the East Bay Paratransit service when it is unable to provide service or meet the needs of HOP participants who are seniors (70+) and people with certified disabilities; and

WHEREAS, HOP engages community partners to carry out all services through the Annual Paratransit Program Plan subject to Measure B/BB funding availability; and

WHEREAS, the City of Hayward submits an Annual Paratransit Program Plan to the Alameda CTC detailing the proposed parameters of eligible paratransit service for seniors (70+) and people with certified disabilities.

**ATTACHMENT II**

NOW, THEREFORE BE IT RESOLVED that the Hayward City Council authorizes and directs the City Manager on behalf of the City of Hayward to implement the FY 2024 Annual Paratransit Plan submitted to the Alameda County Transportation Commission in according with the terms of the City's contract with the Alameda County Transportation Commission (ACTC) for Measure B/BB paratransit funds.

BE IT FURTHER RESOLVED that the City Manager shall have the authority to approve and amend current service contracts and execute purchase orders as necessary to deliver the service to Central Alameda County participants.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

Hayward Operated Paratransit Program  
FY 2024 Measure B/BB Annual Paratransit Program Funding Recommendations

CATEGORY	AGENCY	PROGRAM	FY23 FUNDING	FY 2024 REQUESTS	FY 2024 RECOMMENDED
Management/Overhead	City of Hayward	Program Administration	\$500,000	\$500,000	\$500,000
Customer Service/Outreach	City of Hayward	Research, Marketing & Data Collection	\$175,000	\$125,000	\$125,000
Group Trips Program	RydeTrans (A-Paratransit)	Group Trips	\$75,000	\$75,000	\$75,000
Specialized Accessible Van Service	Alzheimer's Services of the East Bay (ASEB)	Specialized Transportation	\$75,000	\$108,360	\$75,000
Mobility Management and/or Travel Training	Community Resources for Independent Living (CRIL)	Travel Training	\$50,000	\$50,000	\$50,000
Meal Delivery	SOS Meals on Wheels	Meal Delivery	\$90,000	\$100,000	\$100,000
Door-through-Door/Volunteer Driver Program	LIFE ElderCare	Door-through-Door	\$154,754	\$154,574	\$154,574
Means-Based Fare Programs	City of Hayward	Means-Based Fare Program	\$75,000	\$50,000	\$50,000
Same-Day Transportation Program	Eden Information & Referral	VIP ZIP (On-demand rides in partnership with TNCs)	\$272,624	\$272,619	\$272,619
HOP Program Evaluation Pilot(s)	TBD	HOP Evaluation Pilot(s)	\$0	\$100,000	\$100,000
Capital Expenditure	City of Hayward (Public Works Transportations Division)	Safe Route for Seniors Project (Capital)	\$750,000	\$750,000	\$750,000
<b>TOTAL</b>			<b>\$2,217,378</b>	<b>\$2,285,553</b>	<b>\$2,252,193</b>





# FY 2023-24 Annual Paratransit Program Plan Application for Measure BB Funding

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• [www.AlamedaCTC.org](http://www.AlamedaCTC.org)

The Alameda County Transportation Commission (Alameda CTC) requires recipients of Measure BB Direct Local Distribution (DLD) paratransit funding to participate in an Annual Program Plan Review process. Recipients are required to complete and submit a program plan application to Alameda CTC that outlines their prior expenditures and anticipated revenues and expenditures related to delivering paratransit services to older adults and people with disabilities in Alameda County.

## Requirements and Instructions

The Annual Paratransit Program Plan Application includes the following documents:

1. Paratransit Program Plan Application (this MS Word document)
2. Paratransit Program Plan Attachments A-D (Tables A, B, C, and D of the provided MS Excel workbook) *NOTE: The FY 2023-24 Program Plan Excel workbook contains a tab to report on FY 2021-22 performance and budget (Attachment Table A). The FY 2021-22 program information entered into Table A will be used to monitor program performance and, where applicable, should align with program information included in the FY 2021-22 compliance report.*
3. References:
  - a. FY 2023-24 Measure BB Paratransit DLD Revenue Projections, (distributed to ParaTAC, January 2023)
  - b. Alameda CTC Special Transportation for Seniors and People with Disabilities (Paratransit) Implementation Guidelines and Performance Measures, revised February 2023 – Draft, pending PAPCO approval on February 27, 2023)
  - c. Alameda CTC Timely Use of Funds Policy, adopted December 2015

**Submit the Word and Excel files listed above electronically via email by February 28, 2023, to Krystle Pasco at [kpasco@alamedactc.org](mailto:kpasco@alamedactc.org).**

*Be sure to include your agency name and FY 23-24 in the file name of both the Word document and the Excel workbook (e.g., Albany\_FY23-24\_Paratransit\_Program\_Application.doc).*

If you have questions, please contact Krystle Pasco via email or phone at (510) 208-7467 or [kpasco@alamedactc.org](mailto:kpasco@alamedactc.org).

## FY 2023-24 Annual Paratransit Program Plan Application Due by February 28, 2023

CONTACT INFORMATION	
Agency:	CITY OF HAYWARD
Contact Name:	CAROL LEE
Title:	MANAGEMENT ANALYST
Phone Number:	510-583-5343
E-mail Address:	CAROL.LEE@HAYWARD-CA.GOV

**Date Submitted:** February 28, 2023

### TYPES OF SERVICES PROVIDED

- 1. What type of paratransit projects and programs will be funded, fully or partially, with Measure BB Direct Local Distribution (DLD), Measures B and BB reserves, and/or paratransit discretionary grant funds?** To answer this question, complete Attachment Table B (Table B tab of the Microsoft Excel workbook).

Below is a list of the types of services/programs that are eligible for Alameda CTC funding. For detailed information about these eligible services, including minimum service requirements and performance measures, refer to the Alameda CTC's Special Transportation for Seniors and People with Disabilities (Paratransit) Implementation Guidelines, revised February 2023 – Draft, pending PAPCO approval on February 27, 2023 (provided with the application materials).

- **Management/Overhead:** Program oversight, planning, budgeting, participation in regional/countywide meetings. Include admin/labor even if it is paid by the City/transit agency for accurate reporting of full program expenses.
- **Customer Service/Outreach:** Activities associated with educating consumers about services that are available to them, answering questions from consumers and taking, tracking and responding to complaints and commendations. Include costs even if paid by the City/transit agency for accurate reporting of full program expenses.
- **ADA Paratransit:** Paratransit services provided by fixed-route transit operators to fulfill requirements under the Americans with Disabilities Act (ADA).

- **Same-Day Transportation Service:** Provides a same day, curb-to-curb service intended for situations when consumers cannot make their trip on a pre-scheduled basis; allows eligible consumers to use taxis or Transportation Network Companies (TNCs) (at program discretion) at a reduced fare.

**Important Implementation Guidelines requirements:** Eligible populations include: People 18 and above with disabilities who are unable to use fixed route services. Cities may, at their discretion, also provide services to consumers with disabilities under the age of 18. Seniors 70 years or older without proof of a disability. ADA-mandated providers that are not also city providers (East Bay Paratransit and LAVTA) are not required to provide service to seniors 70 years or older without ADA eligibility.  
Programs must subsidize at least 50% of the fare.

- **Specialized Accessible Van Service:** Specialized van service provides accessible, door-to-door trips on a pre-scheduled or same-day basis. These services are generally implemented as a supplement to a same-day program that does not meet critical needs for particular trips in accessible vehicles in certain communities.

**Important Implementation Guidelines requirements:** Specialized Accessible Van programs must demonstrate that they are providing trips at an equal or lower cost to the provider than the ADA-mandated provider on a cost per trip basis, except if providing "premium" service (e.g. same-day).

- **Accessible Shuttle Service:** Generally accessible vehicles that operate on a fixed route and schedule to serve common trip origins and destinations, e.g. senior centers, medical facilities, grocery stores, BART stations, other transit stations, community centers, commercial districts, and post offices.

**Important Implementation Guidelines requirements:** By end of the second fiscal year of service, the City's cost per one-way trip per person cannot exceed \$30, including transportation and direct administrative costs. Shuttles are required to coordinate with the local fixed route transit provider.

- **Group Trips Program:** Round-trip accessible van rides for pre-planned outings or to attend specific events or go to specific destinations for fixed amounts of time, e.g. shopping trips or religious services. Trips usually originate from a senior center or housing facility.
- **Door-through-Door/Volunteer Driver Program:** Pre-scheduled, door-through-door services that are generally not accessible; rely on volunteers

to drive eligible consumers for critical trip needs, such as medical trips. May also have an escort component.

- **Mobility Management and/or Travel Training:** Covers a wide range of activities, such as travel training, trip planning, and brokerage. Does not include provision of trips. (This is considered "non-trip provision"). If your program is using DLD funds, but not discretionary grant funds, you may be required to submit further information.
- **Means-Based Fare Programs:** Program to subsidize any service for customers who are low-income and can demonstrate financial need.

**Important Implementation Guidelines requirements:**

Outreach/communication plans related to means-based fares must be submitted to Alameda CTC staff annually.

If program sponsors include subsidized East Bay Paratransit (EBP) tickets in this program, no more than 3% of a program sponsor's Alameda CTC distributed funding may be used for the ticket subsidy.

- **Meal Delivery:** Program to fund meal delivery to the homes of individuals who are transportation disadvantaged.

**Important Implementation Guidelines requirements:** Program sponsors may not use more than 5% of their Alameda CTC DLD Paratransit program funds expended in a given fiscal year for transportation-related costs for meal delivery.

Funding for traditional meal delivery provided by a local community-based organization must be limited to no more than \$3 per meal.

Mileage reimbursement for volunteer delivery drivers must be limited to no more than \$8 per meal (not to exceed Federal General Services Administration (Privately Owned Vehicle) Mileage Reimbursement Rates).

- **Capital Expenditure:** Capital purchase or other capital expenditure.

**A. Explain the impact of the COVID-19 pandemic on the FY 2022-23 and FY 2023-24 programs.**

The COVID-19 pandemic continues to impact HOP services and participants. In the last year however, HOP has seen a slow increase in the number of rides being taken which may indicate that HOP participants are starting to resume the use of HOP services. Many HOP service providers have transitioned back to pre-pandemic service delivery models or modified their service delivery model to meet current needs

Given this increase and several requests to resume group trips, HOP is preparing to implement changes to improve and increase services.

**B. Provide a short narrative description of your agency's FY 2023-24 program.**

The Hayward Operated Paratransit (HOP) program provides paratransit and related services to eligible enrolled residents and their attendants who live in Hayward, the unincorporated areas of San Leandro, Castro Valley, San Lorenzo, Ashland, Cherryland, and Fairview. Per Alameda CTC Implementation Guidelines, The HOP is available to seniors (70+) and individuals between the ages of eighteen (18) and sixty-nine (69) years old with a certified disability and unable to drive or use public transportation.

The following is a brief overview of the suite of services targeted to seniors (70+) and qualifying individuals with disabilities in the Hayward service area. The following services are part of the HOP Program that is operated by the City of Hayward and funded through the City of Hayward's Direct Local Distribution funds.

**Eden Information & Referral (EIR) - VIP ZIP program:** Through a partnership with EIR, The HOP offers rides through TNC (transportation network company) providers *Lyft Concierge, Uber Health, and RydeTrans*. This partnership with EIR does not require enrolled clients to have a smart phone to access Lyft/Uber rides. Clients call EIR directly, and staff arranges for the ride using a specially equipped software system.

**Group transportation:** Pre-scheduled, accessible trips for a minimum group of four are offered to enrolled HOP riders. Group trips are available primarily to senior housing complexes, skilled nursing facilities and various community organizations serving seniors and people with disabilities. Group trips offer participants social outings to reduce isolation. (Suspended in FY22 due to Covid-19)

**Travel training:** Mobility management workshops and classes are available to groups or individuals and conducted by the CRIL Travel Training Coordinator. Participants receive training in a wide variety of transportation options including accessing AC Transit and BART, obtaining Clipper cards, enrolling in paratransit services and travel safety tips. In FY21, CRIL started offering 1-on-1 consultations and support groups remotely via telephone, email, or virtually.

**LIFE Eldercare – VIP Rides:** Volunteer driver-based mobility program for seniors and people with disabilities to supplement both public transportation and Paratransit

services for individuals who would benefit from a door-through-door service experience. Volunteers help clients with destination assistance, light shopping, and other mobility related services.

**Alzheimer's Services of the East Bay (ASEB):** ASEB provides door-to-door transportation through specially trained drivers in lift equipped vans to individuals with dementia attending a local day program. ASEB also provides the delivery of activity kits to Hayward area participants who are home-bound and unable to attend ASEB (in-center) at this time. These kits help to stimulate their minds and provide structured interaction between the participant and the caregiver. ASEB continues to provide support to participants/caregivers electronically or telephonically and hosts family caregiver support groups via Zoom on a bi-weekly basis.

**SOS Meals on Wheels:** Meals on Wheels program provides nutritionally balanced meals to homebound seniors residing in the Hayward service area through a network of trained volunteer drivers.

**Means-Based Fare program:** Subsidized fare program for enrolled HOP clients with demonstrated financial need. To qualify, clients must meet HUD/federal income limits for extremely-low income and submit income documentation.

**Purchase of AC Transit Easy Passes:** In partnership with the City of Hayward Housing Division – purchasing AC Transit Easy Passes for use by qualifying residents of newly proposed senior housing developments and the Hayward Homeless Navigation Center operated by Bay Area Community Services.

- C. Explain how the suite of services offered is targeted towards the seniors and people with disabilities in your community. Why have these services been selected to meet the trip needs of your consumers over other eligible service types? How do these services enhance their quality of life and help them meet basic life needs?**

The HOP currently operates various paratransit and transportation related programs to provide a broad range of mobility options in addition to those offered by public transit.

This suite of services provides transportation and related services when existing services may be unavailable, including service interruptions, same day service is needed, and when HOP participants reside at a location that is not within  $\frac{3}{4}$  of a mile from a fixed route.

- D. List the most common trip destinations for seniors and people with disabilities in your community that your services are designed to serve, e.g. dialysis centers, hospitals, major shopping complexes, senior centers. Please report separately, if available, for ADA paratransit, Same-Day Transportation (taxi and TNC), Specialized Accessible Van, and/or Accessible Fixed-Route Shuttle if applicable.**

The top destinations reported by HOP clients (VIP ZIP Program) in FY22.

- Medical Office (27%)
- Errands-Related (24%)
- Groceries (14%)
- Employment (11%)
- Entertainment (5%)
- Shopping (4%)

**E. Please provide your average trip length, if available, and any interesting outliers, e.g. a significantly short or long trip associated with one of the common trip destinations above.**

In FY 2022, the average length of ride for VIP ZIP, HOP's most frequently used program, was 5.4 miles. About 82% of the rides are 8 miles or less in length, and majority of rides that exceed that distance are related to medical related travel. One example of an outlier of a significantly long trip is associated with one of our riders who depends on HOP to travel from unincorporated Castro Valley to their place of employment. This rider is unable to drive and cannot use public transportation to travel to this destination, and without HOP services, would be dependent on family to provide transportation to and from work several times a week.

**2. Will your agency's program for FY 2023-24 conform to the Paratransit Program Implementation Guidelines, as required?**

Yes

No

**A. If "No", explain below and contact Alameda CTC staff to discuss (prior to February 21, 2023)**

**3. If proposing any service or program changes in FY 2023-24 from the current year, FY 2022-23, describe the changes and explain why they are proposed.** Describe how these changes will impact the ability of seniors and people with disabilities in your community to meet their basic life needs.

**Technical Assistance**  
In FY 2023, HOP contracted with Nelson Nygaard to complete a comprehensive evaluation of HOP's current services to identify service gaps and areas in which the program can better serve more individuals and reach underserved communities within HOP's service area. HOP is proposing to increase the Customer Service/Outreach budget allocation to support potential implementation of proposed changes.

**Group transportation:**  
Group transportation has been suspended since the onset of the Covid-19 pandemic. Staff is preparing to reinstate services in FY24.

**Purchase of AC Transit Easy Passes:** HOP launched a partnership with the City of Hayward Housing Division to purchasing AC Transit Easy Passes for use by qualifying residents of newly proposed senior housing developments and the Hayward Homeless Navigation Center operated by Bay Area Community Services. Based on guidance from AC Transit, staff will work with Nelson Nygaard to evaluate the viability of this program as it currently stands and may adjust to improve the program. Currently, this program is not meeting it's intended purpose.

4. **Looking ahead, beyond FY 2023-24, do you anticipate major service changes? Please briefly describe.** Describe major changes such as beginning or ending a type of service anticipated within the next five years.

At this time, there are no identified service changes. Based on the findings from the comprehensive evaluation of the HOP program, staff anticipates implementing a range of changes to improve and enhance services starting in FY 2024.

#### NEW PROGRAM ELEMENTS REQUIRING ALAMEDA CTC STAFF REVIEW

5. The February 2023 Draft Paratransit Program Implementation Guidelines require Alameda CTC staff review of several program elements **prior to implementation**. The program elements requiring staff review are listed as items 5A – 5G below and for each item, further explanation is requested. **If your FY 2023-24 program plan includes any of the elements listed, in the box provided below, list the elements and the requested explanation for each. It is not necessary to include elements that were included in the FY 2022-23 Plan and are unchanged.** Applicants must address any applicable paratransit projects and programs listed in Attachment Table B.
- A. **Planned capital expenditure** (describe planned capital expenditures, such as purchase of vehicles or durable equipment)
  - B. **Same-Day Transportation Program that includes use of Transportation Network Companies (TNCs)** (describe the proposed service including how subsidies will be provided and how capacity will be managed)
  - C. **Same-Day Transportation Program that includes incentives to drivers and/or transportation providers** (describe the proposed incentives)
  - D. **Accessible Shuttle Service** (for new shuttles – describe service plan and how city is coordinating with the local fixed route transit provider)
  - E. **New mobility management and/or travel training programs** (describe the well-defined set of activities)
  - F. **Low-income requirements and outreach for any means-based fare programs** (describe the proposed subsidy and the means that will be used to determine and verify eligibility and the method of outreach for the program)
  - G. **Proposed new Meal Delivery Funding Program** (describe the proposed service – traditional or mileage reimbursement – and the population(s) it serves)



N/A
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## DEVELOPMENT OF PROGRAM PLAN

- 6. How was consumer input sought in development of the program and selection of the services offered?** Describe all general outreach activities undertaken in connection with this plan, including consumer or public meetings; meetings with other agencies; presentations to boards, commissions, or committees. If possible, provide dates for these activities. Note below if this plan was reviewed by a local paratransit advisory committee, including the name of the committee, and the date of the meeting.

Programs and services included in the Program Plan were presented at the meeting bodies and community events listed below and developed with the consideration of feedback provided.

April 5, 2022, City Council Meeting  
October 19, 2022, Baywood Court Senior Community

HOP is working with Nelson Nygaard to engage with residents in Hayward and in the surrounding unincorporated areas. Some suggested activities include:

- Calling active clients
- Farmer's Market Booths (Downtown Hayward/Castro Valley/San Leandro)
- Presentations at Local Libraries (Hayward/Castro Valley/San Leandro/San Lorenzo)
- Presentations at senior centers/independent living facilities
- Direct feedback from service partners

- 7. Describe any outreach, surveys and/or analysis conducted to develop this plan and to determine the types of services the program offers.**

Updates to the plan presented at public meetings are published to the City's website prior to the meetings in accordance with the Brown Act. Interested parties are invited to provide public comments on the plan prior to or at the meetings.

As previously mentioned, HOP is partnering with Nelson Nygaard to explore additional ways to engage members of the public, consumers, and services partners.

**8. Describe how results from the community outreach, surveys and/or analysis described in Questions 6 and 7 were used to guide the development of the program plan.**

Historically, HOP relied heavily on direct feedback from participants to inform program changes. Moving forward, HOP plans to collect feedback through ongoing engagement with participants, service partners, and members of the public. HOP is considering a short-term local advisory committee to help determine the most equitable and accessible ways of implementing a long-term process of community engagement.

**9. Describe any innovative, emerging technology or non-traditional elements integrated into the program plan.**

HOP is in the process of evaluating program offerings and preparing to undergo program changes. No additional program elements have been included in this current program plan. HOP anticipates that innovation and technology will be integrated into the proposed changes in future program plans.

**10. Was this program plan approved by a governing body (or is it scheduled for action)?** *This is not required by the Alameda CTC. Jurisdictions should follow their established internal process.*

Yes

No

**A.** If "Yes", provide the name of the governing body and planned or actual approval date.

Scheduled for City Council review and approval (April 4, 2023)

**OUTREACH**

**11. How do community members and potential users learn about the Alameda CTC-funded services provided in your community?** Specify for each of the paratransit projects and programs listed in Attachment Table B.

Community members primarily access HOP information directly through the City of Hayward website. Ongoing outreach is conducted by staff and the Travel Trainer. Services are also advertised through the following: City website; Community Access Channel 15; CRIL; the Hayward Public Library; Various dialysis and medical treatment centers; Kaiser Hospital San Leandro; St. Rose Hospital; the Hayward Senior Center; the San Leandro Senior Center; and the Castro Valley Senior Center.

As part of the comprehensive evaluation of services, HOP envisions implementing additional forms of outreach.

**ELIGIBILITY AND ENROLLMENT**

**12. What are your requirements for eligibility? (e.g., age, residency, income, ADA-certification status, or other verification of disability).**

Hayward service area residents who are senior (70+) or disabled adults (18+) who are unable to use public transportation because of infirmity or disability or for whom East Bay Paratransit (EBP) is not an option are eligible to enroll. An application must be submitted and approved to enroll, and all applicants are encouraged to enroll concurrently with EBP. Applicants under the age of 70 must submit a medical certification form signed by a physician or social worker, or alternatively provide proof of EBP enrollment. To qualify for means based fare programs, applicants must qualify by income (50% of AMI) and provide supporting documentation (proof of SSI/SDI, bank statements, most recent tax return, etc).

**13. How do consumers enroll in your program? Include how long the enrollment process takes, and how soon newly enrolled applicants can use the services offered.**

Applications are accepted year-round and typically reviewed within 48 hours of receipt during business hours, however staff often replies sooner. Applicants determined eligible are mailed an enrollment packet within 3-5 business days of processing. Enrollment can be expedited for those with urgent travel needs.

**CUSTOMER SATISFACTION**

**14. Describe your complaint and commendation process.** Describe your process from beginning to end, including instructions you provide to customers for filing program suggestions, complaints or commendations, your documentation procedures, and your follow up.

The HOP program Rider’s Guide includes information detailing the service communication process. Enrolled riders, their attendants/caregivers, and others serving seniors and individuals with disabilities can provide feedback to City staff or service partners in writing, via telephone, email or through the city website at any time. Complaints and commendations are documented by City staff and shared with the appropriate vendor. All complaints are investigated by staff and a response is typically provided with 48 hours of receipt.

**A. Describe any common or recurring service complaints, commendations and/or suggestions your program has received.** Specify for each of the paratransit projects and programs listed in Attachment Table B.  
*(Complaints are defined as phone calls, letters, or emails received for the specific purpose of making a complaint.)*

VIP ZIP riders continue to express concerns about the unpredictability of the cost of rides, especially during peak hours. Surge pricing is an ongoing concern.

Participants have also requested the HOP resume Group Trips.

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**B. Describe any changes you have made to your program as a result of these customer complaints, commendations and suggestions.**

<p>EIR staff proactively advise riders of on-demand pricing surges and often price compares between TNCs to get the lowest fares for HOP participants. On occasion, EIR staff may work with riders to delay flexible rides until after high demand hours in order to see reduced pricing.</p> <p>HOP is planning to resume Group Trips in FY 2024.</p>
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**EXPECTED DEMAND/USE OF SERVICES**

15. How many people are/have been/will be registered in the program during the following time periods? Fill in the boxes below.

Registrants at beginning of FY 2021-22	323 Active Registrants
Registrants at end of FY 2021-22	458 Active Registrants
Current Registrants for FY 2022-23	526 Active Registrants
Projected Registrants for FY 2023-24	725 Active Registrants

**A. Based on the registration projection provided, explain why you expect your program registration to increase, decrease or stay the same compared to the current year.**

<p>Given the increased number of registrants in the first seven months of FY 2023, HOP expects the number of new registrants to continue to increase. Additionally, HOP expects there to be potential growth due to increased outreach and program improvements as a result of the ongoing evaluation.</p>
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16. What are the current program registrant demographics for FY 2022-23, if available? Fill in the boxes below.

Race/Ethnicity (check all that apply, individuals may be listed in multiple categories)	
American Indian or Alaska Native	
Asian	23%
Black or African American	14%
Hispanic or Latino	13%
Native Hawaiian or Other Pacific Islander	

White	41%
Other	9%
<b>Disability (check all that apply, individuals may be listed in multiple categories)</b>	
Mobility/Physical	
Spinal Cord (SCI)	
Head Injuries (TBI)	
Vision	
Hearing	
Cognitive/Learning	
Psychological	
Invisible	
<b>Household Income</b>	
< \$29,750	
\$29,751-\$49,600	
\$49,601-\$59,520	
\$59,521-\$78,850	
> \$78,851	

**A. Based on the current program demographics, describe any demographic trends you foresee for FY 2023-24.**

Based on the current reported demographics there is insufficient data to draw projected trends. In FY 2023, staff worked with service partners to collect more demographic data. HOP is in the process of evaluating ways to update current data and improve data collection to include income and disability category.

**17. Do you expect the total number of one-way trips provided by your program in FY 2023-24 to increase, decrease or stay the same compared to the current year, FY 2022-23? Why?**

The number of annual rides increased from 3,633 in FY 2021 to 10,025 in FY 2022. HOP estimates that there will be a slight increase given the expected increase in the number of participants. However, based on the ridership in Q1, HOP doesn't expect as significant of an increase as seen in FY 2023.

**18. Do the ridership numbers reported in Attachments Table A and Table B include companions and/or attendants?**

[ ] Yes

No

A. If "Yes", and if known, what percent of total ridership are companions/attendants? (If providing an estimate, please clearly indicate it as such.)

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19. Please provide the number of trips provided to consumers who required an accessible vehicle, if available. If trips were provided in more than one service (e.g. taxi, TNC, specialized accessible van, etc.), please specify for each.

Number of trips provided to consumers who require an accessible vehicle in FY 2021-22	81*
Number of trips provided to consumers who require an accessible vehicle in FY 2022-23 as of Dec. 31, 2022	21
Number of trips projected to consumers who require an accessible vehicle in FY 2023-24	50

\*There is a discrepancy between the number of trips being reported in this program plan and the FY22-23 plan for the number of trips provided to consumers who require an accessible vehicle in FY 2021-2022 as of December 31, 2021. The data was verified, and the number of trips provided to consumers who require an accessible vehicle in FY 2021-22 is accurate as shown above.

**VEHICLE FLEET**

20. Provide details regarding your vehicle fleet. To answer this question, complete Attachment Table D (Table D tab of the Excel workbook).

**SAFETY AND PREPAREDNESS**

21. Describe any safety incidents recorded by your program in FY 2021-22, or to date in FY 2022-23. Specify for each of the paratransit projects and programs listed in Attachment Table B. (Report incidents resulting in any of the following: a fatality other than a suicide; injuries requiring immediate medical attention away from the scene for two or more persons; property damage equal to or exceeding \$7,500; an evacuation due to life safety reasons; or a collision at a grade crossing.)

N/A
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22. If possible, describe your city's or your program's emergency preparedness plan. Specify when the plan was last prepared or updated. Does the plan include the paratransit program? Indicate if it is available online or can be provide upon request. If available online, please include a link in the comment box below.

The City of Hayward's Comprehensive Emergency Management Plan (CEMP) is an internal document that addresses the City of Hayward's responsibilities in emergencies associated with natural disaster, human-caused emergencies, and technological incidents. It provides a framework for coordination of response and recovery efforts within the City in coordination and with local, State, and Federal agencies. The CEMP establishes an emergency organization to direct and control operations during a period of emergency by assigning responsibilities to specific personnel.

While the CEMP does not directly include the Hayward Operated Paratransit program, it does encompass provisions that account for the transportation of individuals with disabilities and individuals who require alternative modes of transportation. Furthermore, the CEMP comprises resources in the event of an emergency for seniors, including but not limited to meals, home care, and transportation. The City is undergoing a process to refine the CEMP and should have an updated version by summer 2023.

**FINANCES: PROGRAM REVENUE AND COST**

**23. Detail your FY 2023-24 program’s total estimated revenue (all fund sources) and total cost by completing Attachment Table C (Table C tab of the Excel workbook).** For program components funded all or in part with a Measure B/BB discretionary grant, segregate the grant funding by entering it in the “Other Measure B/BB” column.

**24. Describe below the “Management/Overhead” and “Customer Service and Outreach” costs included in Attachment C and how these cost allocations were determined?** (These two categories are defined under Question 1.) *The amount spent on Customer Service/Outreach and Management/Overhead is to be included as part of the total program cost, even if it is not funded with Alameda CTC funding. This includes city/agency staff time paid for by a city’s general fund.*

**A. Management/Overhead Costs**

Funds:

- 1) Direct staff costs (salaries/benefits) based on program oversight, planning, budgeting, customer service and outreach (Measure B (reserves)/BB and City of Hayward CDBG (10%) shared costs);
- 2) Insurance costs (Measure B reserve- 100%); Direct program costs including printing, supplies, computer/IT support, travel, etc. (Measure B reserves and Hayward CDBG (10%) shared costs);
- 3) Consulting Services – Estimated cost for implementation of program improvements per Nelson Nygaard evaluation.

**B. Customer Service and Outreach Costs**

Customer outreach includes daily operational activities such as fielding customer inquiries, application distribution and processing, database maintenance, group trip scheduling and monitoring, etc. Other related activities include community presentations and identification of potential partnerships. Marketing materials and potential street signage are also included.

FY 2024 includes an allocation towards outreach as part of the implementation efforts based on the comprehensive program evaluation.



**PROGRAM FUNDING RESERVES**

- 25. If your paratransit program is anticipated to have a remaining balance of Measure B/BB DLD funding at the end of FY 2023-24, as shown in Attachment Table C, please explain. How do you plan to expend these funds and when?**

As currently projected, HOP anticipates a remaining balance of Measure B reserves/BB DLD funding at the end of FY23-24. A significant portion of the remaining fund balance will be allocated towards longer term program improvements as a result of the comprehensive program evaluation and implementation efforts.

HOP continues to partner with Hayward Public Works, Transportation Division to extend the Safe Routes for Seniors (SR4S) program to additional locations within the City. The first phase of this project should be completed in FY 2023. HOP is budgeting \$750,000 in FY 2024 to support the design phase of the second location in South Hayward.

**MISCELLANEOUS**

- 26. Use this space to provide any additional notes or clarifications about your program plan.**

There are still unknowns about HOP's future services and programs. As HOP engages the community, with the support of Nelson Nygaard, the City will continue to explore ways to extend services to underserved and unreached community members with an increased focus on the surrounding unincorporated areas. HOP is in a rebuilding phase and hopes to provide additional information and expand services as a result.

**Alameda CTC FY 2023-24 Annual Paratransit Program Plan Application (July 1, 2023 - June 30, 2024)**  
**Attachment Table A: Summary of Past Program Service, Performance, Revenue, and Costs (FY 2021-22)**

Total FY FY 2021-22 Program Revenue (Measure B, Measure BB and all other funds available for FY 2021-22)	
Estimated Measure B Paratransit DLD reserve balance at the start of FY 2021-22	\$1,466,531
FY 2021-22 Measure B DLD Paratransit revenue (Staff will confirm using Alameda CTC reports)	\$878,422
Estimated Measure BB Paratransit DLD reserve balance at the start of FY 2021-22	\$4,507,567
FY 2021-22 Measure BB DLD Paratransit revenue (Staff will confirm using Alameda CTC reports)	\$1,244,086
<b>Total FY 2021-22 Measure B and BB Paratransit DLD Revenue (Automatically calculated)</b>	<b>\$8,096,606</b>
Total FY 2021-22 Other Revenue (All other revenue sources, non-DLD, including fares, discretionary grant, non-Meas B and BB) (should equal Columns I, K, and L)	
<b>Total FY 2021-22 Program Revenue (Measure B, Measure BB and all other sources available for FY 2021-22) (Automatically calculated)</b>	<b>\$8,096,606</b>

Service/Program Type and Name		Performance FY 2021-22		Total FY 2021-22 Program Costs Expended by Fund Source (Measure B, Measure BB and all other funds expended during FY 2021-22)										Notes
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Eligible Service/Program Type <i>Drop-down Menu</i>	Service/Program/Project Name	Quantity Provided FY 2021-22 Provide total number of one-way trips or units	On-Time Performance FY 2021-22 Percent of passenger trips arrived within designated window (indicate if data is unavailable or non-applicable)	Amount of RESERVE Measure B Paratransit DLD funds EXPENDED	Amount of FY 2021-22 Measure B Paratransit DLD funds EXPENDED	Amount of RESERVE Measure BB Paratransit DLD funds EXPENDED	Amount of FY 2021-22 Measure BB Paratransit DLD funds EXPENDED	Amount of OTHER Measure B/BB funds EXPENDED	What was the source of these OTHER Measure B/BB funds? (e.g. CIP Grant, LSR, etc.)	Fare Revenue expended on service	Amount of all non-Alameda CTC funds EXPENDED (not including fares)	What was the source of these non-Alameda CTC funds? (e.g. City general fund, federal, state, etc.)	Total Funds expended (all sources) <i>Automatically calculated</i>	Miscellaneous Notes (If necessary, provide any notes/clarification about trip/program)
Customer Service and Outreach	Research, Marketing & Data Collection		N/A	\$ 39,565									\$ 39,565	
Management/Overhead	Program Administration		N/A	\$ 579,863									\$ 579,863	
Same-Day Transp. - TNC	VIP ZIP	5,110	unavailable	\$243,616.31									\$ 243,616	
Specialized Accessible Van	Alzheimer's Services of the East Bay	2,934	unavailable	\$ 75,000									\$ 75,000	
Group Trips	Group Trips/RydeTrans	0	N/A	\$ -									\$ -	
Door-through-Door/Volunteer Driver	VIP Rides/LIFE ElderCare	1,981	unavailable	\$ 94,132									\$ 94,132	
Mobility Mgmt/Travel Training	Hayward on the Go! Travel Training/Commuity Resources for Independent Living	26	N/A	\$ 4,832									\$ 4,832	
Scholarship/Subsidized Fare	HOP Means-Based Fare Program	609	unavailable										\$ -	Fare subsidy of \$7,297.01 included in VIP ZIP program expenses.
Scholarship/Subsidized Fare	HOP/Hayward Navigation Center	0	N/A										\$ -	
Meal Delivery (existing program)	SOS Meals on Wheels	108,926	unavailable	\$ 90,000									\$ 90,000	
Capital Purchase	Safe Routes for Seniors (SR4S) Program/COH Public Works		N/A			\$ 186,963							\$ 186,963	
													\$ -	
													\$ -	
													\$ -	
				\$ 1,127,007	\$ -	\$ 186,963	\$ -	\$ -		\$ -	\$ -		\$ 1,313,970	

Alameda CTC FY 2023-24 Annual Paratransit Program Plan Application (July 1, 2023 - June 30, 2024)

Attachment Table C: Program Revenue, Cost and Fund Sources

Total FY 2023-24 Program Revenue (Measure B, Measure BB and all other funds available for FY 2023-24)	
Estimated Measure B Paratransit DLD ending balance at the end of THIS fiscal year, FY 2022-23 (June 30, 2023)	\$1,168,265
Estimated Measure BB Paratransit DLD ending balance at the end of THIS fiscal year, FY 2022-23 (June 30, 2023)	\$2,111,861
Projected FY 2023-24 Measure BB DLD Paratransit revenue (Use projections distributed by the Alameda CTC)	\$2,079,130
<b>Total FY 2023-24 Measure B and BB Paratransit DLD Revenue (Automatically calculated)</b>	<b>\$5,359,257</b>
Total FY 2023-24 Other Revenue (All other revenue sources, non-DLD, including fares, discretionary grant, non-Meas B and BB) (should equal Columns F, H, and I)	
<b>Total FY 2022-23 Program Revenue (Measure B, Measure BB and all other sources available for FY 2022-23) (Automatically calculated)</b>	<b>\$5,359,257</b>

Service/Program Name		Total FY 2023-24 Program Costs by Fund Source (Measure B, Measure BB and all other funds planned to be expended during FY 2023-24)								Total Cost
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Service/Program/Project Name <i>Automatically populated from prior sheet (column B)</i>	Quantity Planned for FY 2023-24  Automatically populated from prior sheet (column Q)	Amount of RESERVE Measure B Paratransit DLD funds to be EXPENDED	Amount of RESERVE Measure BB Paratransit DLD funds to be EXPENDED	Amount of FY 2023-24 Measure BB Paratransit DLD funds to be EXPENDED	Amount of OTHER Measure B/BB funds to be EXPENDED	What is the source of these OTHER Measure B/BB funds? (e.g. CIP Grant, LSR, etc.)	Fare Revenue to be expended on service	Amount of all Non-Alameda CTC funds to be EXPENDED (not including fares)	What is the source of these non-Alameda CTC funds? (e.g. city funds, federal, state, etc.)	Total Cost (all sources)  <i>Automatically calculated</i>
VIP ZIP	10,000	\$ 272,619								\$ 272,619
Research, Marketing & Data Collection	0	\$ 125,000								\$ 125,000
Program Administration	0	\$ 166,072	\$ 333,928							\$ 500,000
Group Trips	2,000	\$ 75,000								\$ 75,000
SOS Meals on Wheels	90,000	\$ 100,000								\$ 100,000
Hayward on the Go! Travel Training	100	\$ 50,000								\$ 50,000
Alzheimer's Services of the East Bay	1,600	\$ 75,000								\$ 75,000
VIP Rides	3,500	\$ 154,574								\$ 154,574
HOP Means-Based Fare Program	1,000	\$ 25,000								\$ 25,000
HOP/Hayward Navigation Center	500	\$ 25,000								\$ 25,000
PW Safe Routes for Seniors	0		\$ 750,000							\$ 750,000
HOP Evaluation Pilot(s)	TBD	\$ 100,000								\$ 100,000
0	0									\$ -
0	0									\$ -
<b>Totals</b>	<b>108,700</b>	<b>\$ 1,168,265</b>	<b>\$ 1,083,928</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ 2,252,193</b>

Budget check (total revenue less total cost): \$3,107,064

PARATRANSIT DLD RESERVE BALANCES	Measure B	Measure BB	Total MB/BB
Estimated Reserve Balance, June 30, 2024:	\$0	\$3,107,064	\$3,107,064
<b>Reserve balance as percent of FY 2023-24 Revenue*</b>	<b>N/A</b>	<b>149%</b>	<b>149%</b>

\*Alameda CTC's Timely Use of Funds policy looks at entire jurisdiction's fund balance.

Alameda CTC FY 2023-24 Annual Paratransit Program Plan Application (July 1, 2023 - June 30, 2024)  
Attachment Table B: Description of Planned Program

Note: Definitions for each drop-down menu are in the Implementation Guidelines

Service/Program Type and Name		Contractor	Need(s) Met	Cost to Consumer		For Trip Provision Services			
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Eligible Service/Program Type <i>Drop-down Menu</i>	Service/Program/Project Name (Should also note Type in some way)	If service is contracted, provide name of contractor/service provider	Need(s) this Service Meets (E.g. medical, grocery, recreation, regional trips, etc.)	Fare/Cost to Consumer	Fare Medium (E.g. online, cash, voucher, reimbursement, annual fee, etc.)	Vehicle Accessibility (wheelchair or mobility devices that require a lift/ramp) <i>Drop-down Menu</i>	Is this a same day or pre-scheduled service? <i>Drop-down Menu</i>	Is this a fixed route or origin-to-destination service (e.g. door-to-door)? <i>Drop-down Menu</i>	Service Area
Same-Day Transportation	VIP ZIP	Eden Information & Referral (2-1-1)	TNC: On-demand transportation for eligible clients to meet Activities of Daily Living (ADL's) needs	HOP will pay the costs of rides over \$4.00 up to a maximum of \$20.00. Any costs over \$20.00 are the rider's responsibility.	Debit/Credit Card	Accessible	Same Day	Curb-to-Curb	Hayward, Newark, Livermore, Oakland, San Leandro, Fremont, Dublin, Alameda, Union City, Pleasanton, San Ramon, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Customer Service and Outreach	Research, Marketing & Data Collection	City of Hayward	Communications Costs-Research, Marketing & Data Collection	N/A	N/A				City of Hayward
Management/Overhead	Program Administration	City of Hayward	Operations Costs-Administrative costs for program delivery	N/A	N/A				City of Hayward
Group Trips	Group Trips	A-Para Transit, Inc.	Groups of 4 or more: transportation for groups of eligible clients to meet ADL needs	N/A	N/A	Accessible	Pre-scheduled	Curb-to-Curb	Hayward, Newark, Livermore, Oakland, San Leandro, Fremont, Dublin, Alameda, Union City, Pleasanton, San Ramon, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Meal Delivery	SOS Meals on Wheels	Service Opportunity for Seniors (SOS)	Delivery of meals to homebound seniors	N/A	N/A		Pre-scheduled		Hayward, Unincorporated San Leandro, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Mobility Mgmt/Travel Training	Hayward on the Go! Travel Training	Community Resources for Independent Living	Mobility management training for seniors and people with disabilities	N/A	N/A		Pre-scheduled		Hayward, Unincorporated San Leandro, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Specialized Accessible Van	Alzheimer's Services of the East Bay	Alzheimer's Services of the East Bay	Transportation to Hayward Adult Day Health Care centers, support for caregivers and individuals recently diagnosed with dementia	N/A	N/A	Accessible	Pre-scheduled	Door-to-Door	Hayward, Newark, Livermore, Oakland, San Leandro, Fremont, Dublin, Alameda, Union City, Pleasanton, San Ramon, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Door-through-Door/Volunteer Driver	VIP Rides	LIFE ElderCare	Trained volunteers provide door-through-door transportation to eligible clients to meet ADL needs	N/A	N/A	Accessible	Pre-scheduled	Door-through-Door	Hayward, Newark, Livermore, Oakland, San Leandro, Fremont, Dublin, Alameda, Union City, Pleasanton, San Ramon, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Means-Based Fare Program	HOP Means-Based Fare Program	City of Hayward	On-demand transportation for eligible clients to meet ADL needs	N/A	N/A				Hayward, Unincorporated San Leandro, Castro Valley, Fairview, Cherryland, San Lorenzo, Ashland
Means-Based Fare Program	HOP/Hayward Navigation Center	City of Hayward	ADL	N/A	N/A				AC Transit Local Service Area
Capital Purchase	PW Safe Routes for Seniors	City of Hayward	Improved Mobility	N/A	N/A				City of Hayward
Specialized Accessible Van	HOP Evaluation Pilot(s)	City of Hayward	TBD	TBD	TBD	Accessible			Placeholder to implement pilot(s)

Note: Definitions for each drop-down menu are in the Implementation Guidelines

Service/Program Type and Name		Limits	Schedule		Eligibility	Status	Deliverables	Notes	
Column A (repeated)	Column B (repeated)	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R
Service/Program Type <i>Will automatically populate from rows above</i>	Service/Program/Project Name <i>Will automatically populate from rows above</i>	Limits on number of trips/use of service? (e.g. trip limits per month/quarter/year or a maximum expenditure per consumer)	If pre-scheduled, what days/hours are reservations accepted for trip, training, etc?	If pre-scheduled, how far in advance can/must a consumer schedule a trip, training, etc?	Days/Hours of Operation	Eligibility Requirements	Project Status <i>Drop-down Menu</i>	Quantity Planned Provide total number of units (one-way passenger trips, consumers trained, meals delivered, etc.)	Miscellaneous Notes (If necessary, provide any notes/clarification about trip/program)
Same-Day Transportation	VIP ZIP	40 rides per month	N/A	N/A	M-F, 8:15AM-5:30PM	70+ Years of Age or Adult with certified disability and unable to drive or use public transportation independently	Continuing/Ongoing	10,000	Adding weekend hours in FY24
Customer Service and Outreach	Research, Marketing & Data Collection	N/A	N/A	N/A	N/A	N/A	Continuing/Ongoing		
Management/Overhead	Program Administration	N/A	N/A	N/A	N/A	N/A	Continuing/Ongoing		
Group Trips	Group Trips	2 trips per org per month	Mon - Sat	Reservations accepted by 3rd calendar week from upcoming month	9am-4pm	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	2,000	
Meal Delivery	SOS Meals on Wheels	Daily per client	Mon - Sat	By request	9am-5pm	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	55,200	
Mobility Mgmt/Travel Training	Hayward on the Go! Travel Training	By appointment	case-by-case basis	By appointment	9am-5pm	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	100	Will be evaluated in FY23 with potential changes in FY24
Specialized Accessible Van	Alzheimer's Services of the East Bay	as requested	Mon - Fri	By request	9am-5pm	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	1,600	Will be evaluated in FY23 with potential changes in FY24
Door-through-Door/Volunteer Driver	VIP Rides	as requested	case-by-case basis	By appointment	9am-5pm	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	1,900	
Means-Based Fare Program	HOP Means-Based Fare Program	40 rides per month	N/A	N/A	N/A	Adheres to Alameda CTC Implementation Guidelines	Continuing/Ongoing	1,000	
Means-Based Fare Program	HOP/Hayward Navigation Center	40 rides per month (TNC); 1 monthly AC Transit Easy Pass per qualifying resident; 20 Day Passes per month	According to AC Transit bus schedules for Easy Pass	N/A; Advance reservation only, up to 7 days in advance (EBP)	Mon - Fri 8:15AM-5:30PM (TNC); 8am-5pm (EBP)	Adheres to Alameda CTC Implementation Guidelines	To be closed out in FY 23-24	500	Will be evaluated in FY23 with potential changes in FY24
Capital Purchase	PW Safe Routes for Seniors	N/A	N/A	N/A	N/A	ADA Improvements	Continuing/Ongoing		In collaboration with COH Public Works - Downtown area is in design phase and construction, will be evaluated in FY23 with potential changes in FY24
Specialized Accessible Van	HOP Evaluation Pilot(s)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Placeholder to implement pilot(s)
0	0								
0	0								



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-185

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Execute the Cooperation Agreement for Fiscal Years 2024-2026 between the City of Hayward and the County of Alameda to Participate in the Alameda County HOME Consortium

**RECOMMENDATION**

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to execute the Cooperation Agreement (the Agreement) and all other implementing documents to enable the City of Hayward to participate in the Alameda County HOME Consortium.

**SUMMARY**

Every three years, the City of Hayward must reaffirm its membership in the Alameda County HOME Consortium by entering into a Cooperation Agreement with the HOME Consortium, led by Alameda County. The City has been a member of the Consortium since 1991. This administrative agreement between the City and Alameda County enables the City to continue participation for the next three fiscal years.

Through Consortium membership, the City has received approximately \$13.75 million in funds for HOME-eligible housing assistance activities benefitting households at or below 80% of the area median income (AMI), including acquiring, rehabilitating, and constructing affordable housing developments, and providing homebuyer and tenant-based rental assistance. Staff recommends that Council adopt the resolution to authorize the City's participation in the Consortium and to continue receiving federal HOME funds for FY 2024 through FY 2026. Approval of this resolution does not commit the City to funding any specific project at this time. Specific funding allocations to projects will come to the Council in the future for approval.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** April 11, 2023

**TO:** Mayor & City Council

**FROM:** Assistant City Manager

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Execute the Cooperation Agreement for Fiscal Years 2024-2026 between the City of Hayward and the County of Alameda to Participate in the Alameda County HOME Consortium

## **RECOMMENDATION**

That the City Council adopts a resolution (Attachment II) authorizing the City Manager to execute the Cooperation Agreement (the Agreement) and all other implementing documents to enable the City of Hayward to participate in the Alameda County HOME Consortium.

## **SUMMARY**

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Through Consortium membership, the City has received approximately \$13.75 million in funds for HOME-eligible housing assistance activities benefitting households at or below 80% of the area median income (AMI), including acquiring, rehabilitating, and constructing affordable housing developments, and providing homebuyer and tenant-based rental assistance. Staff recommends that Council adopt the resolution to authorize the City's participation in the Consortium and to continue receiving federal HOME funds for FY 2024 through FY 2026. Approval of this resolution does not commit the City to funding any specific project at this time. Specific funding allocations to projects will come to the Council in the future for approval.

## **BACKGROUND**

Since 1991, the City of Hayward has been part of the Alameda County HOME Consortium, which includes unincorporated Alameda County and the cities of Alameda, Fremont, Livermore, Pleasanton, San Leandro, and Union City. Hayward's participation in the Consortium has assured the City a total allocation of approximately \$13.75 million of federal HOME Investment Partnership funds since FY 1991-1992. Funds must be used for HOME-eligible housing assistance activities, such as:

- Affordable housing development through acquisition, rehabilitation, or construction activities
- Homebuyer assistance
- Tenant-based rental assistance (TBRA)

HOME program regulations require that 100% of HOME funds be used to assist households with incomes at or below 80% of the area median income (AMI) adjusted for household size. Currently, the Alameda County 80% of AMI income limit for a family of four is \$106,000.

## **DISCUSSION**

The City's participation in the Consortium assures the City an annual allocation of HOME funds and alleviates the administrative burden of administering the funds. As the representative of the Consortium, Alameda County acts as the lead member for administrative and federal reporting purposes and coordinates the production of the Consolidated Annual Performance and Evaluation Report (CAPER) required by HUD. Several other reporting activities are also carried out in a joint effort by the participating jurisdictions.

The overall objective of the program is to provide high-quality, sustainable affordable housing. In previous years, HOME funds were used to help finance the following housing projects:

- Construction of the Glenn Berry and Sara Conner Court Apartments,
- Rehabilitation of Huntwood Commons and Tennyson Gardens Apartments
- Acquisition and rehabilitation of Leidig Court Apartments,
- Acquisition of Cypress Glen Apartments,
- Loan for the Weinreb Place (aka Hayward Senior Housing II) affordable senior complex,
- Loan for the Alta Mira Affordable Family and Senior Apartments (aka the South Hayward BART affordable housing project) which opened in the fall of 2016.
- Acquisition and development of Mission Paradise

Funds also provide tenant-based rental assistance to low-income renters. Since 2008, funds have been set aside to pay for rental subsidies for participants of Project Independence, a program that provides services and rental subsidies to emancipated youth (youth age 18 to 24 who have aged out of the foster care system). Additionally, in 2020, the Council authorized the use of HOME funds for emergency rental assistance to tenants experiencing economic hardship related to COVID-19.

Staff recommends that the City Council approve the continued participation in the Alameda County HOME Consortium for the next three Federal fiscal years – October 1, 2023, through September 30, 2026. Individual project funding commitments during this time will come to the Council separately for approval.

## **ECONOMIC IMPACT**

Continuing participation in the Alameda County HOME Consortium ensures that the City receives an annual allocation of funds ranging from \$250,000 to \$425,000 to continue to address the region's housing crisis. These funds ensure Hayward's low-income residents

have access to decent, safe, and sanitary housing and help prevent housing instability and homelessness. Providing funding for affordable housing opportunities is an important part of the City's efforts to prevent displacement and homelessness.

### **FISCAL IMPACT**

There is no fiscal impact associated with this agenda item.

Hayward's participation in the HOME Consortium allows the City to receive an annual allocation of HOME program funds from HUD. Between federal FY 2021 and FY 2023, the City received an average allocation of approximately \$420,000. Each year, 10% of funds may be used for administrative costs, and of those, 50% are retained by the County for administration, leaving the City with 5% of the total allocation for administration of ongoing and new HOME activities.

### **SUSTAINABILITY FEATURES**

To be competitive for the major sources of funding, affordable housing development proposals must be located near transit and include energy-efficient and sustainable features that exceed the applicable standards. These two are major criteria in the Low-Income Housing Tax Credit Program, for example. The requirement to include energy-efficient and sustainable features is intended to guarantee that affordable developments are financially viable for the long term. Energy-related savings are essential to achieve that long-term viability – besides guaranteeing that the housing expenses of tenants are low or minimal.

Additionally, as housing becomes increasingly unaffordable, many households are forced to move out of their communities and, as they move farther away, they must spend a larger part of their incomes on transportation while adding further pressure to the already congested system of roads and freeways. Thus, the requirement to be located near transit helps reduce traffic congestion and frees up income of very low and extremely low income households to pay for other expenses such as education, childcare, and food. Therefore, to the extent that HOME and other local moneys will help Hayward affordable housing projects or program proposals compete for and/or leverage other sources of funding, this would help a) reduce area traffic impacts, and b) achieve other local sustainability goals.

### **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing for All. This item is not specifically related to a project identified in the Strategic Roadmap. Staff are bringing forth this item because it is a necessary administrative step for remaining in the HOME Consortium.

### **PUBLIC CONTACT**

This is a standard three-year Agreement, purely administrative in nature, allowing the City to participate in the Alameda County HOME Consortium. It does not commit any funding to



projects. Neither HUD nor the County requires a public hearing or other public contact for this Agreement. Therefore, this Council resolution comprises the first and only required public contact for this Agreement.

**NEXT STEPS**

Project-related funds will be used for HOME-eligible housing-assistance activities. Future commitments and appropriation of those funds for such activities will require Council approval. Staff will later return to Council to recommend the allocation of HOME funds to eligible housing projects or programs when they are identified. No projects or programs have been identified for this Agreement term.

*Prepared by:* Amy Cole-Bloom, Management Analyst

*Recommended by:* Dustin Claussen, Assistant City Manager  
Christina Morales, Housing Division Manager

Approved by:



---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CONTINUED PARTICIPATION OF THE CITY OF HAYWARD IN THE ALAMEDA COUNTY HOME CONSORTIUM FOR HOME FUNDS AND AUTHORIZING EXECUTION OF THE NECESSARY DOCUMENTS TO MAINTAIN THE ELIGIBILITY OF THE CONSORTIUM FOR HOME PROGRAM FUNDS IN ACCORDANCE WITH THE NATIONAL AFFORDABLE HOUSING ACT OF 1990

WHEREAS, the Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990 and Federal regulations have been adopted pursuant thereto, hereinafter called the "Act"; and

WHEREAS, Title II of the Act creates the HOME Investment Partnership Program hereinafter called "HOME," that provides funds to participating jurisdictions for acquisition, rehabilitation, new construction of affordable housing, homebuyer and tenant-based rental assistance; and

WHEREAS, the Act allows local governments to form consortia for the purpose of receiving and administering HOME funds and carrying out purposes of the Act; and

WHEREAS, the cities of Alameda, Fremont, Hayward, Livermore, Pleasanton, San Leandro and Union City have expressed their interest in joining with the Alameda County Urban County (consisting of the cities of Albany, Dublin, Emeryville, Newark, Piedmont, and the unincorporated County) to continue in the Alameda County HOME Consortium for federal fiscal years 2024, 2025, and 2026;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The City Council of the City of Hayward hereby authorizes the City of Hayward continued participation in the Alameda County HOME Consortium.
2. The City Council of the City of Hayward hereby authorizes the City Manager to execute the necessary documents to maintain the eligibility of the Consortium for HOME program funds in accordance with the National Affordable Housing Act of 1990.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-198

---

**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting and Filing the Annual Comprehensive Financial Report for the Year Ended June 30, 2022, and of the Memorandum on Internal Control and Required Communications

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) to receive and file the City's Annual Comprehensive Financial Report (ACFR) (Attachment III) for the fiscal year ended June 30, 2022.

**SUMMARY**

Each year, the City conducts an independent financial audit, which is performed by an external contractor. Auditing standards require auditors: to formally communicate the results directly to the agency's governing body; to establish direct and effective two-way communication with Council and staff; and to convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management. As in previous years, the auditor's opinion on the City's financial statements for fiscal year 2022 is without exception and is unmodified. There were no significant findings with respect to either the City's FY 2021 financial statements or FY 2022 statements.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	FY 2022 Annual Comprehensive Financial Report



**DATE:** April 11, 2023  
**TO:** Mayor and City Council  
**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting and Filing the Annual Comprehensive Financial Report for the Year Ended June 30, 2022, and of the Memorandum on Internal Control and Required Communications

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) to receive and file the City's Annual Comprehensive Financial Report (ACFR) (Attachment III) for the fiscal year ended June 30, 2022.

**SUMMARY**

Each year, the City conducts an independent financial audit, which is performed by an external contractor. Auditing standards require auditors: to formally communicate the results directly to the agency's governing body; to establish direct and effective two-way communication with Council and staff; and to convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management. As in previous years, the auditor's opinion on the City's financial statements for fiscal year 2022 is without exception and is unmodified. There were no significant findings with respect to either the City's FY 2021 financial statements or FY 2022 statements.

**BACKGROUND**

The City's independent external auditor, Maze and Associates, has completed its audit of the City's financial statements for the fiscal year ended June 30, 2022. The City's Annual Comprehensive Financial Report (ACFR) represents all funds of the City, including the General Fund, Water, Sewer, Airport, all other enterprise, special revenue and capital funds.

Auditing standards require auditors to formally communicate the results directly to the agency's governing body; to establish direct and effective two-way communication with

Council and staff, convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management.

## **DISCUSSION**

**Annual Comprehensive Financial Report** – Staff is pleased to report that, as in previous years, the auditor’s opinion on the financial statements for fiscal year 2022 is without exception and is unmodified. That is, the auditor’s report is not restricted (modified) in any manner, nor does it take exception with any of the information contained in the City’s financial statements. While a modification or exception is not necessarily detrimental, the ability to report that the City’s financial statements continue to earn a “clean opinion” is a positive statement about the City’s financial management and oversight.

Staff has submitted the fiscal year 2022 ACFR to the Government Finance Officers Association (GFOA) award program, a national award recognizing conformance with the highest standards for preparation of local government financial reports. The City of Hayward has received this award for the last thirty-six consecutive years.

**Communication Letters from Auditors** – The *Required Communications* letter is intended to identify any communication issues and present new accounting standards pronouncements that may affect the audit. The auditor did not report any difficulties in performing the audit or any disagreements with management.

### FY 2022 Finding

There were no significant audit findings.

### FY 2021 Finding

There were no significant audit findings.

## **STRATEGIC INITIATIVES**

This agenda item is a routine operational item that does not relate to any of the Strategic Initiatives.

## **FISCAL IMPACT**

There is no direct fiscal impact resulting from the approval of the annual audit.

## **PUBLIC CONTACT**

On October 19, 2022, Maze & Associates presented to the Council Budget and Finance Committee an overview of the fiscal year 2022 audit process and the role of the external auditor.

*Prepared by and Recommended by:* Nicole Gonzales, Director of Finance

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', with a long horizontal flourish extending to the right.

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022; AND THE MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS

WHEREAS, the audit of the financial statements and internal controls of the City of Hayward has been completed for the year ended June 30, 2022, by the City's independent auditors, Maze & Associates.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Council accepts and files the Annual Comprehensive Financial Report for the Year Ended June 30, 2022, and the accompanying Memorandum of Internal Control and Required Communications letters.

HAYWARD, IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR 2022



HAYWARD, CALIFORNIA

**Blank page behind cover**

**CITY OF HAYWARD, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

Prepared by:

Accounting Division, Department of Finance

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# ***INTRODUCTORY SECTION***

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# CITY OF HAYWARD, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022

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March 16, 2023

Honorable Mayor, Members of the City Council, and Residents of the City of Hayward, California:

It is my pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Hayward for the fiscal year ended June 30, 2022. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In the opinion of management, the data is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to understand the City's financial affairs. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB).

#### FINANCIAL STATEMENT PRESENTATION

This report consists of management's representations concerning the finances of the City of Hayward, California. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP.

The City's financial statements have been audited by Maze and Associates, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hayward, California's financial statements for the year ended June 30, 2022, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City’s separately issued Single Audit Report (to be issued in March 2023).

This ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City’s organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the combined financial statements and schedules, the independent auditor’s report on these financial statements and schedules, and management’s discussion and analysis (MD&A). The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The independent auditor’s report is presented as the first component of the financial section of the ACFR, followed by the MD&A, which provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## CITY PROFILE & SERVICES

With a population currently estimated at 160,591, Hayward is the sixth largest city in the San Francisco Bay Area and the third largest city in Alameda County. Hayward is located fourteen miles south of Oakland in the San Francisco Bay Area. The City area includes sixty-one square miles lying between the eastern shore of the San Francisco Bay and the southern Oakland-Berkeley Hills. Hayward serves as a major transportation hub and a center of commercial and industrial activity, with immediate access to major interstate freeways, rail lines, and public transit routes such as Bay Area Rapid Transit (BART). The community has more than 50,000 homes and residences of all types; and considerable commercial and industrial development. Major institutional facilities include California State University-East Bay, Chabot Community College, one major hospital, a variety of private and vocational educational institutions; and state and county offices.

### City Structure

The City was incorporated in 1876. Under the City Charter adopted in 1956, the City government is organized in the Council-Manager form. The Mayor is directly elected to a four-year term of office and serves as a voting member and the presiding officer of the City Council. The City Council includes six other members, each of whom is elected at-large to overlapping four-year terms. The Mayor and City Council serve as the legislative and policy-making body of the City government and appoint a City Manager, a City Clerk, and a City Attorney. The City Manager is the City’s chief executive officer and appoints all other City staff. The City Manager is responsible for the daily administration of the City government and provides overall direction to all City departments.

## City Services

Hayward provides a full range of services to its residents including: law enforcement; fire prevention and protection; paramedic services; housing and economic development; land use development services and regulations; community planning; street construction and maintenance; landscape maintenance services; transportation planning; and contracted curbside recycling and refuse collection. In addition, the City operates and maintains facilities for water distribution, storm water, and sanitary sewer collection and disposal. The City also operates a general aviation executive airport, downtown parking facilities, a main and branch library, and a civic center. Park and recreation services are provided through partnership with the regional Hayward Area Recreational District (HARD), headquartered in the City. This partnership includes one public golf course under operational lease to HARD. After school homework and tutoring programs and literacy classes are provided through the City Library system and are located in the Library and on school campuses in partnership with Hayward Unified School District (HUSD).

## Component Units

The City Council is also financially accountable for the Successor Agency of the Hayward Redevelopment Agency, the Hayward Public Financing Authority, the Hayward Housing Authority, and the Hayward Business Improvement District; therefore, these component unit activities are included in the accompanying basic financial statements. Furthermore, the City participates in a number of joint ventures and authorities, which exist due to joint exercise of power agreements. An equity interest is reported for the East Bay Dischargers Authority ([www.ebda.org/](http://www.ebda.org/)). The complete financial activities have not been included for this entity, as the City Council is not financially accountable for them. Other entities, which have been excluded, that do not meet the established criteria for inclusion in the reporting entity are the Hayward Area Recreation and Park District ([www.haywardrec.org/](http://www.haywardrec.org/)) and Hayward Unified School District ([www.husd.k12.ca.us/](http://www.husd.k12.ca.us/)).

## ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is best understood when it is considered within the broader perspective of the specific environment in the City of Hayward.

### Local Economy

Hayward is a diverse city with a diverse economy – comprised of a well-established and growing business community that represents a balance of retail, industrial, and advanced technologies. In fiscal year 2022, the City of Hayward economy continued experiencing healthy recovery from the impacts of the pandemic.

The Employment Development Department data reflects that the unemployment rate in Alameda County as of November 2022 was 3.1%, which is down from 6.1% in 2021.

Hayward has seen a year over year increase of 3.0% in its assessed valuation in 2022. The median residential home value is about \$884,351 in December 2022 versus \$876,343 a year ago.

The total Assessed Valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$26 billion in FY 2022, as real estate values that have been restored to pre-Great Recession levels, higher sales prices, and new developments. The City's property tax revenues increased by 4% in FY 2022 as compared to FY 2021.

From 2008-2012 the City saw a cumulative loss of \$12.4 million in sales tax revenue, due in large part to lagging automobile sales, along with decreases in business-to-business, construction, and other retail sectors. While the City has seen an erosion in some business segments, this revenue source has been fully restored to pre-recession levels. The City's Measure C District tax revenues as approved by the voters in 2014, (\$20.6 million in FY 2022) dramatically increased total Sales Tax revenues. However, these revenues are targeted for specific activities as outlined in the documents to place the measure on the ballot in 2014; therefore, to get the true story of the City's Sales Tax, these revenues should be considered separately.

On May 19, 2009, the voters of the City of Hayward approved Measure A allowing for the collection of a 5.5% utility users tax to maintain key essential services and prevent further reductions to basic City services. The tax was extended to FY 2039 after the voters approved Measure D in 2016. The utility users' tax revenue for fiscal year 2022 was \$17.3 million.

The City's transfers tax revenue went up by \$4.1 million or 24% in fiscal year 2022 compared to fiscal year 2021 due to growing demand.

While the City tries to remain optimistic, management has mixed views regarding the outlook for the future due to the continued growth of expenditures related to employee benefits and deferred infrastructure improvements. Controlling expenditures has been a key element in responding to the City's fiscal challenges. Management and employee groups have successfully partnered to implement significant structural savings and cost-sharing that will assist the City in achieving long-term fiscal sustainability shown by the fact that all but one of the City's employee groups agreed to offer concessions as the City struggled to offset the impacts on revenues.

## Factors Affecting the City's Financial Condition

The City faces similar challenges to other local jurisdictions in California. In addition to rising operating and capital costs, the City has lost over \$100 million in local revenues to the State since 1994. The State's ability to take local government revenues, the loss of the City's redevelopment agency being a prime example, has significantly hampered the future plans of local governments for years to come. In addition, the State's continued policy to push services down to the local level without reallocating revenue to support the service delivery is a continued challenge.

## Long-term Perspective

The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. While the City has consistently worked to balance its budget, Hayward must continue this effort and make additional adjustments to its General Fund expenditures to address and resolve an ongoing structural deficit largely driven by rising employee benefit costs.

The City employs long-term planning as the framework for its fiscal decisions and updates its forecasting model to provide a comprehensive and agile tool projecting the City's finances for a ten-future fiscal year period for the General Fund as well as other key operating funds. While the General Fund structural budget gap has been greatly reduced as compared to years past, the City continues its efforts to eliminate structural gaps and achieve a more stable fiscal outlook on a long-term basis.

While Hayward's underlying economy is viewed as stable and positive in the long-term, today's economic challenges, notably to the City's General Fund, must be dealt with immediately to ensure long-term economic stability. The other enormous challenge is continuing to provide an ever-increasing high level of service to the community with limited resources and rising employee benefit costs – while ensuring long-term economic stability.

## MAJOR INITIATIVES & ACCOMPLISHMENTS

In Spring 2022, the Hayward City Council adopted an update to the City's "Strategic Roadmap," which included six revised priority areas: Preserve, Protect & Produce Housing for All; Grow the Economy; Confront Climate Crisis & Champion Environmental Justice; Invest in Infrastructure; Strengthen Organizational Health; and Enhance Community Safety & Quality of Life. Through the budget planning process, and with City Council direction, the management team has aligned its program priorities and service delivery objectives with these Strategic Priorities. Some of the accomplishments and ongoing efforts in these Priority areas are discussed below.

## Capital Improvement Program

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP), which guides all of the capital infrastructure replacement and improvement efforts throughout the City. The capital budget for FY22 totaled about \$157 million, with approximately \$562 million tentatively programmed for the entire ten-year period from FY22 through FY31. While the City's CIP Projects touch the Confront Climate Crisis & Champion Environmental Justice, Enhance Community Safety & Quality of Life, and Strengthen Organizational Health Priorities, they predominantly support the Invest in Infrastructure Priority.

### Invest in Infrastructure Priority

*Mission Blvd Phases 3:* Phase 3 of the Mission Boulevard Corridor Improvement Project, from A Street to the northern City limit at Rose Street, is the last phase of the three-phase Mission Blvd Corridor Improvement Project. Improvements will include undergrounding overhead utilities, electrical service conversions of private properties, construction of a 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. The construction bids received in 2021 to implement this project were significantly higher than expected and subsequently rejected, delaying the project timeline. Staff also applied for grant opportunities to help close the funding gap. The call for bids was reinitiated in January 2023 and construction is anticipated to start in early Summer 2023.

*Linear Park Project:* In April 2022, construction began on the approximately one-mile stretch of Linear Park along the eastern side of Mission Blvd, roughly from Blanche Street to Fairway Street. The project included reshaping flat landscape areas to echo the East Bay Hills, planting trees and native plants, using recycled concrete to expand pathways, adding seating using reclaimed wood and upcycled materials, and adding artwork to crosswalks, among a number of other improvements. Construction was substantially completed in Fall 2022.

*Construct Fire Station No. 6 & Fire Training Center:* Located on West Winton Avenue, adjacent to the Hayward Executive Airport, the New Fire Station 6 and Fire Training Center Project involves the replacement of the existing Fire Station 6 and Fire Training Center with nine new buildings and structures. New buildings will include Fire Station 6/Classroom Building, Apparatus Building, Training Tower, Burn Building, Storage Building, Hangar Building, USAR/BART Training Structure, Outdoor Classroom, Entry Canopy, and a parking lot. The project will also include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Construction started in August 2020 and is anticipated to be complete in Spring 2023.



*Complete Initial Phase of Recycled Water Project:* To improve overall water supply reliability and conserve drinking water supplies, the City constructed a recycled water system to deliver tertiary-treated recycled water to sites near the WPCF for landscape irrigation and industrial uses. Construction of the storage tank, pump station, and distribution pipeline system was completed in FY 2020. Construction of the treatment facility and customer connections to the recycled water system were also completed in, and recycled water deliveries to the first phase of customers began in Spring FY2022. The Phase I customer sites include four parks, six schools, one college, nineteen private businesses, and City street landscaping.

*Design & Construct Capital Improvements to Airport Hangars:* Routine maintenance of Airport-owned hangars is provided by staff and contractors, but due to the age of the structures, a consultant was hired in FY19 to provide a comprehensive hangar condition assessment that was completed in mid-FY20. A 10-year maintenance schedule was subsequently developed, and repair and replacement work began in FY20, including the installation of LED lighting and extensive roof improvements. Work has continued through FY 2022, during which improvements were completed on Hangar Buildings “B,” “C,” “D,” and “E.”

*Safe Routes to School Program:* The Alameda County Transportation Commission (ACTC) recently conducted School Safety Assessments for all fourteen public schools in Hayward, resulting in a set of infrastructure recommendations to make it easier for students to bike and walk to school. Hayward's new Safe Routes to School (SR2S) Program has been created to implement these recommendations. In collaboration with partners including Hayward Unified School District, ACTC, and various community organizations, the Program 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's first SR2S project began in FY 2022 near Cesar Chavez Middle School, and includes installation of curb and median extensions, advanced stop and yield marking, yellow high-visibility crosswalks, rectangular rapid flashing beacons (RRFB), and more. Fifty percent of the project budget is being funded by an ACTC SR2S grant.

*Safe Routes for Seniors Program:* The City of Hayward's Safe Routes for Seniors (SR4S) Program is a collaborative effort between the City and local senior housing facilities, senior centers, and community-based organizations. Through these partnerships, the City is working to identify areas in Hayward at which to focus accessibility and walkability improvements. In FY 2022, the City's first SR4S effort was implemented, which involved the improvement of four downtown Hayward intersections, including Foothill Blvd/Hazel Ave-City Center Dr, Montgomery Ave/A St, Montgomery Ave/B St, and Watkins Ave/D St. Improvements included increased pedestrian crossing times, installation of high-visibility ADA ramps, repositioning of cross walks and pedestrian push buttons to align with ADA improvements, and widening medians for pedestrian refuge, among many others. The SR4S Program receives annual support from dedicated Measure BB (Paratransit) funding.

### Confront Climate Crisis & Champion Environmental Justice Priority

*Reduce Carbon Emissions – Transition 15% of Total City Fleet to EV/Hybrid Models:* 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.

After a successful hybrid patrol vehicle pilot in FY 2021, Fleet Management updated the standard specifications for Hayward Police patrol vehicles, and all new patrol cars will be hybrid-powered models. In FY 2022, a total of ten patrol cars were ordered to replace vehicles that have reached the end of their useful life, and all vehicles ordered were hybrids. Once received and placed into service, the fleet vehicle matrix will consist of 16% EV/hybrid units.

Staff are also working to invest in EVs where possible and within current replacement cycles and budget parameters. While staff is working aggressively to meet this goal, global supply chain and production issues have delayed the timely delivery of all fleet vehicles.

### Enhance Community Safety & Quality of Life Priority

*South Hayward Youth & Family Center:* Since 2013, the City of Hayward, Alameda County (County), and Hayward Area Recreation and Parks District (HARD) have worked towards a shared vision of constructing and operating a new center at the corner of Tennyson and Ruus Roads called the South Hayward Youth and Family Center (SHYFC) -- also known as "The Stack Center." The project site is on City-owned property and located at 680 West Tennyson Road. The City now has the funding to build Phase I of the campus, including contributions from the State and Federal governments. Staff continue to fundraise to close the funding gap for Phase II of the campus.

*Complete LaVista Park:* In partnership with Hayward Area Recreation and Parks District (HARD), La Vista Park is a 50-acre destination park located a quarter-mile east of the intersection of Tennyson Road and Mission Boulevard in South Hayward. La Vista Park is planned to include a soccer field, bike terrain park, basketball courts, an amphitheater, dog park, zip-line, playgrounds, picnic areas, walking/hiking trails, science garden, water play area, observation points, and open areas. In FY 2022, the California Environmental Quality Act (CEQA) report was updated to include the park expansion area, and staff are currently working with consultants to finalize the design. Construction bid documents are anticipated to be completed by Spring 2023, and construction is planned to commence in late Spring or early Summer 2023.

*Complete Tennyson & Jackson Corridor Landscape Beautification:* In FY 2018, as part of the City Council's Tennyson Corridor Strategic Initiative, staff began renovating the medians along Tennyson Corridor in an effort to transform this busy corridor into a visually appealing community gateway. The three-year project involved new trees, plants, bark chips, pavers, and more, was completed in FY 2022.

Similar median beautification efforts are planned for the Jackson Corridor, another key arterial road within the City. Also a three year-long project, this effort commenced in FY23.

*Municipal Parking Lot Improvements:* As part of the City's ongoing effort to improve its municipal parking lots and maximize accessibility in Downtown Hayward, Municipal Lot 1 received significant improvements in FY22 including an upgraded parking configuration, new sidewalk, and ADA-compliant parking spaces. The pavement in the lot was also rehabilitated, additional landscaping and irrigation was installed, LED lighting and parking stall conditions were upgraded, and infrastructure necessary for future vehicle charging stalls were constructed.

## FINANCIAL INFORMATION

### Organizational Health and Fiscal Stability

**Long Range Financial Planning:** The City continues to refine its long-range financial planning tools as part of managing the annual budget for the General Fund, other key revenue funds such as internal service and enterprise funds, and the Capital Improvement Program. Utilizing a ten-year approach has helped the City identify and plan accordingly to manage potential future structural deficits.

**Long-term Debt Ratings:** The City maintains excellent ratings on all of its debt issuances. In recent fiscal years, the City has received very high ratings from the various rating agencies, including an AA rating from both Fitch and Standard & Poor's of the 2015 Certificates of Participation and an AA+ rating by Standard & Poor's for the 2013 Water Bonds. The City also has an implied general obligation rating of AA+ with a stable outlook from both rating agencies. Standard & Poor's Ratings Services recently reviewed the rating of the 2004 and 2006 TABS and upgraded its rating from A- to A and affirmed a stable outlook. In September 2021, Fitch affirmed the City's AA+ Issuer Default Rating and maintained the City's outlook as stated. This opinion is likely to improve given recent changes to the City's fiscal outlook. A critical component of the rating agency review is the City's financial management status - i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

**Internal Controls:** The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to prepare the City's financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management.

### Budgetary Controls & Financial Policies

The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management.

**Budget Control:** Budgetary controls ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Per the City Charter, the City Council is required to adopt an annual budget resolution prior to July 1 of each fiscal year. Activities of all funds, except agency funds, are included in the Annual Budget. The City also adopts a ten-year capital improvement program, appropriating the current year's expenditures in the annual budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Manager may authorize transfers of appropriations in the adopted budget within funds; however, any revisions which alter the total expenditures of any fund must be approved by the City Council.

**Long-term Planning:** One of the financial policies noted above outlines the City's goals related to long-range financial forecasting. As recommended by the policy, the City annually prepares and adopts a ten-year financial plan for the General Fund as part of the operating budget.

In addition, the City maintains long-range forecasting models for other key operating funds, including a capital improvement program plan. The City adopts a ten-year Capital Improvement Program annually, that includes planned capital projects in the areas of transportation, low to moderate income housing, pedestrian access, utilities, airport, and internal services capital replacements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City of Hayward and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding.

**Debt Administration:** Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2022, the City had total debt outstanding of \$112.12 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

**Cash Management:** The City's investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. The City hired a third-party investment manager in July 2012 to assist in managing and balancing the City's pooled cash portfolio, and improving the overall yield within policy guidelines.

**Reserve Policies:** In complying with the provisions of GASB Statement 54 (fund balance reporting and fund type definitions), some of the current reserve designations have changed. For FY 2022, the policy states that General Fund reserves for economic uncertainty and liquidity should be no less than two months of city operating costs or at least 20% of budgeted General Fund operating expenditures.

While further delineated in the accompanying MD&A, at the end of fiscal year 2022, the unassigned fund balance of the General Fund was \$34.2 million, while the total fund balance was \$57.9 million (includes non-cash outstanding receivables of over \$3.6 million and \$20 million in Measure C District Tax cash balance). The unassigned fund balance represents 15.2% of total General Fund expenditures of \$224.5 million (including Transfers Out).

## AWARDS AND ACKNOWLEDGEMENTS

### Award Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Hayward for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the thirty seventh consecutive year that the City of Hayward has received this prestigious national award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This Report must also satisfy both GAAP and applicable legal requirements.

ACFR  
March 16, 2023

A *Certificate of Achievement for Excellence in Financial Reporting* from the GFOA is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement requirements and staff will submit it to the GFOA to determine eligibility for another certificate.

#### Acknowledgements

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff, as well as the audit firm of Maze & Associates. All those who contributed to the preparation of this report deserve commendation for their dedication and hard work. I would like to express special appreciation to Marichu Maramba, Accounting Manager; Michelle Polintan, Senior Accountant; Denise Robles, Accountant; Michele Tan, Accountant; and the entire Accounting Division staff.

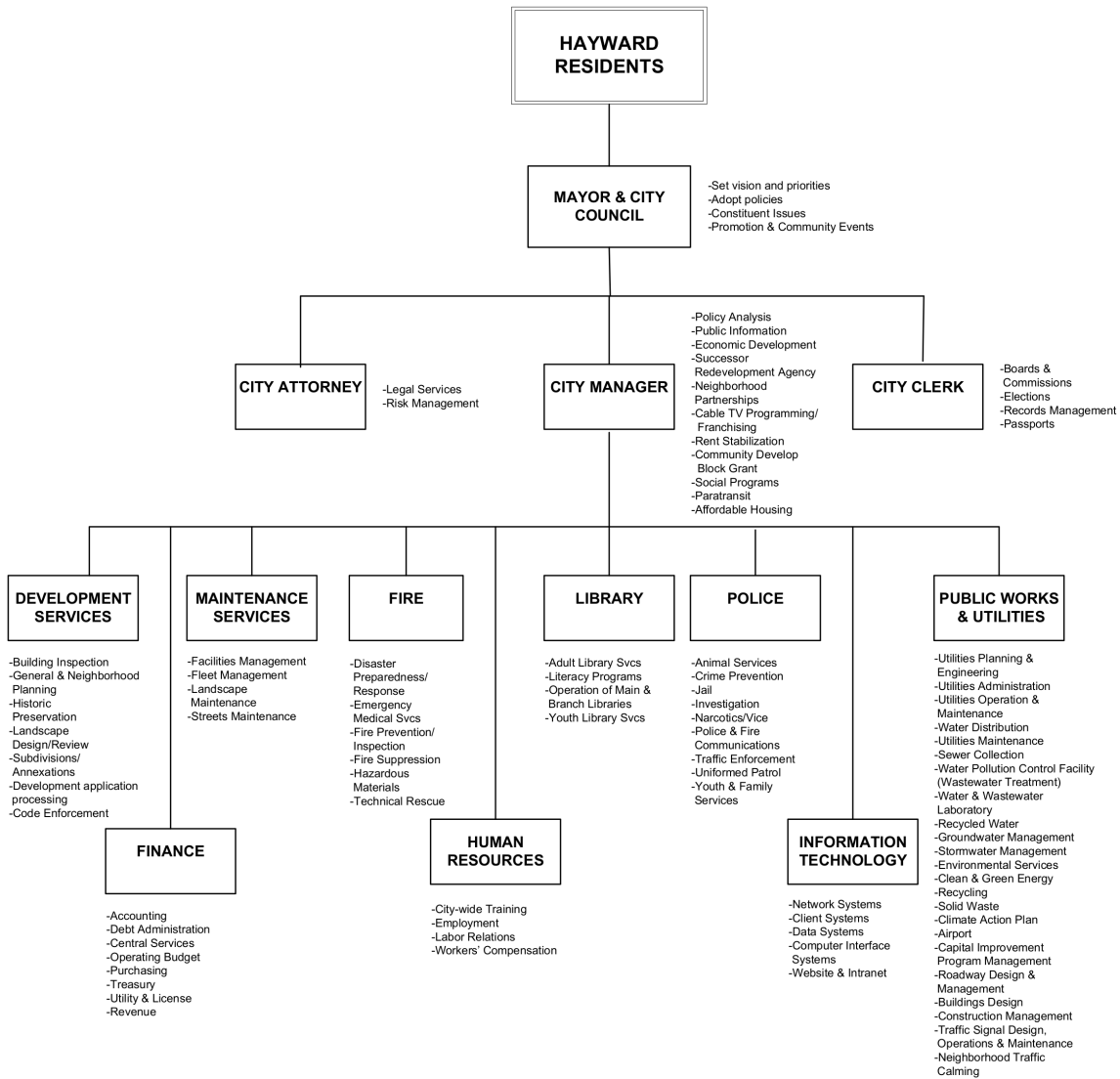
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Nicole Gonzales".

Nicole Gonzales  
Director of Finance  
City of Hayward

# CITYWIDE ORGANIZATION



## ELECTED OFFICIALS

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The Mayor and six Council members represent Hayward residents, adopt public policy, and approve resource allocations consistent with community priorities. The City Council generally meets the first, third, and fourth Tuesday of each month at 7:00 p.m. in Council Chambers, 2nd Floor of 777 B Street, Hayward, CA 94541. The public is invited and encouraged to attend Council meetings.



**Barbara Halliday**

**Mayor**

Term Expires 2022



**Mark Salinas**  
**Council Member**

Term Expires 2024



**Sara Lamnin**  
**Council Member**

Term Expires 2022



**Aisha Wahab**  
**Council Member**

Term Expires 2022



**Elisa Márquez**  
**Council Member**

Term Expires 2024



**Francisco Zermeño**  
**Council Member**

Term Expires 2024



**Angela Andrews**  
**Council Member**

Term Expires 2024



# ADMINISTRATIVE STAFF

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## Appointed by City Council

City Manager	Kelly McAdoo
City Attorney	Michael Lawson
City Clerk	Miriam Lens

## Department Directors

Assistant City Manager	Jennifer Ott
Assistant City Manager	Regina Youngblood
Development Services (interim)	Jennifer Ott
Finance	Dustin Claussen
Fire	Chief Garrett Contreras
Human Resources (interim)	Regina Youngblood
Information Technology	Adam Kostrzak
Library	Jayanti Addleman
Maintenance Services	Todd Rullman
Police	Chief Toney Chaplin
Public Works & Utilities	Alex Ameri



Government Finance Officers Association

Certificate of  
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Presented to

**City of Hayward  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## ***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S OPINION

To the Honorable Members of the City Council  
City of Hayward, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hayward (City), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Bay Dischargers Authority, which represent 1.90%, 2.48% and 9.36%, respectively, of the assets, net position and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the East Bay Dischargers Authority, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Change in Accounting Principles***

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective during the year ended June 30, 2022 and required the restatement of certain lease-related balances as discussed in Note 1 and Note 4 to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
March 16, 2023



## **CITY OF HAYWARD, CALIFORNIA** **Management's Discussion and Analysis**

As management of the City of Hayward (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found in the preceding introductory section of this report, and with the City's basic financial statements and accompanying notes to those financial statements.

### **Financial Highlights**

- ❑ At the close of the most recent fiscal year, the City's asset and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$543.6 million (*total net position*). Excluding the \$347.1 million net pension liability, \$237.4 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- ❑ The City's total net position increased by \$68.7 million over fiscal year 2021. Governmental activities, including the General Fund, increased by \$57.2 million and Business-type activities increased by \$11.5 million.
- ❑ As of June 30, 2022, the City's governmental funds reported combined fund balances of \$190.1 million, a decrease of \$8.2 million from the prior year.
- ❑ At the end of fiscal year 2022, total fund balance for the General Fund, including Measure C, is \$57.9 million, a decrease of \$8.3 million over fiscal year 2021. Of the total, the General Fund ending fund balance is \$37.9 million, and Measure C ending fund balance is \$20.0. The total fund balance is comprised of \$3.6 million in non-spendable (illiquid reserves), \$20.0 million in assigned (liquid reserves designated for specific purposes), and \$34.3 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$34.2 million in unassigned fund balance represents 15.2% of total General Fund expenditures including Transfers Out. The \$3.6 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2022 ended with a net increase to the General Fund, General Purpose Fund Reserve of \$1.7 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2022, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$380.1 million; an increase of \$11.5 million from the previous year.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary budget vs. actual information and other statistical supplementary information.

**Government-wide Financial Statements.** (pages 19-21) The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* (see Table 1 below on page 8) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It should be noted that net position includes liquid and illiquid assets (cash and non-cash).

The *statement of activities and change in net position* (see Table 2 below on page 10) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow impacts in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include: general government; public safety; public works and transportation; library and community services; planning and building; maintenance services; and interest on long-term debt. The business-type activities of the City include: sewer and water services; storm water runoff management; and the Hayward Executive Airport.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

**Governmental Funds.** (pages 24-30) Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The City maintains twenty-three individual government funds for financial reporting. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Federal Grants, Housing Authority, Route 238 Corridor Improvement Fund and General Capital Projects Fund all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this Report. *Combining statements* present and summarize all the details of the non-major funds.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for all governmental funds with annually adopted budgets. The budget comparison statements for the General Fund, Federal Grants Special Revenue Fund, Housing Authority Capital Project Fund, the Route 238 Corridor Improvement Capital Project Fund and General Capital Projects Fund are located in the financial statements starting on page 118 of this report. All other major and non-major funds with legally adopted annual budgets are located in the supplementary information section.

***Proprietary Funds.*** (pages 32-34) The City maintains two different types of *proprietary funds*, the Enterprise Funds and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water runoff, and airport operations. The *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Workers Compensation, General Liability, Fleet Management, Facilities, Information Technology, and Employee Benefits Funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the *government-wide financial statements*, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water Funds which are considered to be major funds. Conversely, the Airport Fund and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the *Internal Service Funds* section of this Report.

***Fiduciary Funds.*** (pages 36-37) Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

**Notes to the Basic Financial Statements.** (pages 39-95) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, supplementary information on major and non-major governmental funds and internal service funds are presented in this report. Combining and individual fund statements and schedules can be found beginning on page 122 of this Report.

## Government-wide Financial Analysis

The *statement of net position* and the *statement of activities* of the City's governmental activities and business-type activities are presented below in Tables 1 and 2.

**Statement of Net Position.** As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City, total assets exceeded total liabilities by \$543.6 million at the close of the current fiscal year, an increase from the prior year of \$68.7 million. The change in the combined net position includes an increase of \$57.2 million in Governmental Activities, and an increase of \$11.5 million in Business-type Activities.

**Table 1 – City of Hayward Statement of Net Position** (in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$309.3	\$297.9	\$311.9	\$272.6	\$621.3	\$570.5
Capital assets	456.9	433.2	184.3	188.0	641.2	621.2
<b>Total assets</b>	<b>766.3</b>	<b>731.1</b>	<b>496.2</b>	<b>460.6</b>	<b>1,262.5</b>	<b>1,191.7</b>
<b>Deferred outflows</b>	<b>64.2</b>	<b>62.7</b>	<b>5.6</b>	<b>4.1</b>	<b>69.8</b>	<b>66.7</b>
<b>Liabilities</b>						
Long term debt outstanding	73.6	79.4	38.5	42.6	112.1	122.0
Other liabilities	480.1	575.7	45.5	47.9	525.5	623.6
<b>Total liabilities</b>	<b>553.7</b>	<b>655.1</b>	<b>84.0</b>	<b>90.5</b>	<b>637.6</b>	<b>745.6</b>
<b>Deferred inflows</b>	<b>113.2</b>	<b>32.3</b>	<b>37.8</b>	<b>5.5</b>	<b>151.0</b>	<b>37.9</b>
<b>Net position:</b>						
Net investments in capital assets	385.8	357.5	145.8	145.3	531.6	502.8
Restricted	121.7	117.7	0.0	0.0	121.7	117.7
Unrestricted*	(344.0)	(368.8)	234.3	223.2	(109.7)	(145.6)
<b>Total net position</b>	<b>\$163.5</b>	<b>\$106.4</b>	<b>\$380.1</b>	<b>\$368.6</b>	<b>\$543.6</b>	<b>\$474.9</b>

\* Unrestricted net position for June 30, 2022, included the City's \$347.1 million net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2022 City's net position, \$531.6 million, reflects its investment in capital assets (e.g. land; buildings; street infrastructure; sewer and water pipelines; machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources (future revenue), since the capital assets themselves cannot be used to liquidate these liabilities.

In fiscal year 2022, the City's net position included \$69.8 million in deferred outflows of resources. Of this amount, \$51.5 million is related to pensions. This includes \$43.8 million related to pension contributions after the measurement date, as well as \$7.7 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$17.8 million of the deferred outflows are related to other post-employment benefits (OPEB). \$9.2 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$8.6 million is related to changes in assumptions and trust performance. Finally, \$0.5 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$112.1 million includes \$10.5 million due within one year, as well as an additional \$101.6 million due in future years.

The largest share of the City's other liabilities is comprised of \$347.1 million in net pension liabilities and \$69.8 million in OPEB liabilities, as detailed in Note 13 and Note 15, respectively. Other major liabilities include \$29.8 million in accrued liabilities, \$32.8 in unearned revenue, \$25.1 million in accounts payable, \$11.2 million in total compensated absences, and \$8.8 million in refundable deposits.

Deferred inflows of resources totaled \$151.0 million in fiscal year 2022, \$26.3 million related to leases, \$92.8 million related to pensions and \$31.9 million related to OPEB. Pension-related deferred inflows are comprised of \$4.1 million in differences between actual and expected experience; \$0.3 million in changes to calculation assumptions; and \$88.5 million in net difference between projected and actual earnings on investments. OPEB-related deferred inflows consist of \$27.3 million in changes to calculation assumptions, \$2.2 million in difference between projected and actual earnings and \$2.5 million difference between expected and actual experience.

A portion of the City's net position, \$121.7 million, represents the resources that are subject to external restrictions on how they may be used. Almost all of the restricted net position is related to City's special revenue and capital projects funds. Excluding the \$347.1 million net pension liability, \$237.4 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.

***Statement of Activities.*** The Statement of Activities provides information about all the City's revenues and expenses, with an emphasis on measuring net revenues or expenses of each of the City's programs and explains in detail the change in Net Position for the year. The City's governmental activities net position increased by a net total of \$57.2 million.

**Table 2 – City of Hayward Statement of Activities and Change in Net Position** *(in millions)*

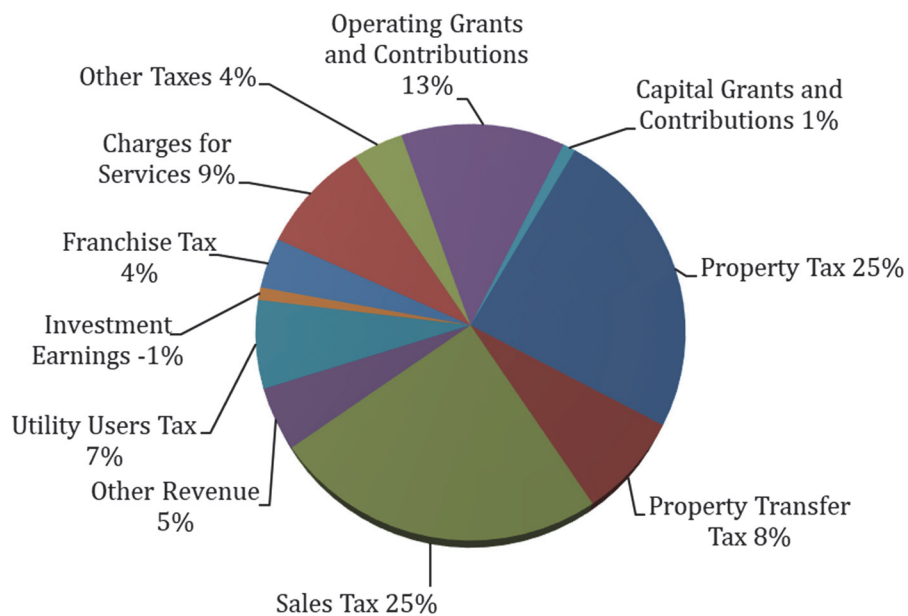
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program revenues</b>						
Charges for services	\$24.0	\$23.4	\$100.6	\$99.3	\$124.5	\$122.7
Operating contributions and grants	34.7	29.5	-	-	34.7	29.5
Capital contributions and grants	3.6	5.4	-	-	3.6	5.4
	<u>62.2</u>	<u>58.3</u>	<u>100.6</u>	<u>99.3</u>	<u>162.8</u>	<u>157.6</u>
<b>General revenues</b>						
Property tax	65.0	62.2	-	-	65.0	62.2
Sales tax	64.7	58.7	-	-	64.7	58.7
Utility user tax	17.3	17.3	-	-	17.3	17.3
Real property transfer tax	21.2	17.1	-	-	21.2	17.1
Franchise fees	10.5	10.6	-	-	10.5	10.6
Other taxes	16.0	15.1	-	-	16.0	15.1
Investment earnings	(3.9)	1.1	(4.9)	1.1	(8.8)	2.2
Gain on sale of land for resale	-	3.4	(1.0)	-	(1.0)	3.4
Gain on sale of capital assets	0.0	0.1	-	-	0.0	0.1
Miscellaneous	9.4	18.7	-	-	9.4	18.7
General revenues subtotal	<u>200.3</u>	<u>204.2</u>	<u>(5.8)</u>	<u>1.1</u>	<u>194.4</u>	<u>205.3</u>
<b>Total Revenues</b>	<u>262.5</u>	<u>262.5</u>	<u>94.7</u>	<u>100.4</u>	<u>357.2</u>	<u>362.9</u>
<b>Expenses by activity</b>						
General Government	19.3	24.8	-	-	19.3	24.8
Public safety	120.1	139.4	-	-	120.1	139.4
Public works and transportation	25.6	26.5	-	-	25.6	26.5
Library and neighborhood services	12.4	11.4	-	-	12.4	11.4
Economic development	6.7	3.0	-	-	6.7	3.0
Planning and building	10.5	10.4	-	-	10.5	10.4
Maintenance services	12.5	12.4	-	-	12.5	12.4
Interest on long term debt	2.3	2.6	-	-	2.3	2.6
Sewer	-	-	23.1	21.9	23.1	21.9
Water	-	-	48.8	49.1	48.8	49.1
Airport	-	-	4.3	3.4	4.3	3.4
Stormwater	-	-	2.7	2.7	2.7	2.7
Recycling	-	-	0.2	0.3	0.2	0.3
<b>Total expenses</b>	<u>209.4</u>	<u>230.5</u>	<u>79.1</u>	<u>77.5</u>	<u>288.5</u>	<u>308.0</u>
Increase (decrease) before transfers	53.1	32.0	15.6	22.9	68.7	54.9
Transfers	4.1	3.2	(4.1)	(3.2)	-	-
Change in Net Position	<u>57.2</u>	<u>35.2</u>	<u>11.5</u>	<u>19.7</u>	<u>68.7</u>	<u>54.9</u>
Beginning Net Position	106.4	71.2	368.6	348.9	475.0	420.1
<b>Ending Net Position (June 30)</b>	<u>\$163.6</u>	<u>\$106.4</u>	<u>\$380.1</u>	<u>\$368.6</u>	<u>\$543.5</u>	<u>\$475.0</u>

## Governmental Activities Revenues

Governmental revenues are categorized as Program Revenues and General Revenues. Program revenue includes charges for services such as traffic safety fines, licenses, permits, plan check fees, building inspection and other construction related fees. Contributions and grants include amounts contributed by developers and grants from state and federal government, of which the majority is public works capital grants. General Revenues includes general taxes (property, sales, etc). Major changes in government-wide revenues include the following:

- ❑ Operating Contributions and Grants increased by \$5.1 million compared to prior year due primarily from ARPA funding that the City recognized in FY2022.
- ❑ Capital contributions and grants decreased slightly by \$1.8 million over the prior year due to reduction of completed projects.
- ❑ Property Taxes increased by \$2.7 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$6.0 million over the prior year, due to continued strength of online sales and increased collections.
- ❑ Real Property Transfer Tax increased by \$4.1 million over 2021, due to increase in real estate transactions as home values increased.
- ❑ A Gain on Sale of Land for Resale resulting from the sale of additional City property along Route 238 increased one-time revenues in 2021 by \$3.4 million, with a corresponding decrease in 2022.
- ❑ Miscellaneous Revenue decreased by \$9.2 million compared to 2021, due to reimbursement received from community college school district for Fire Station Training Center.

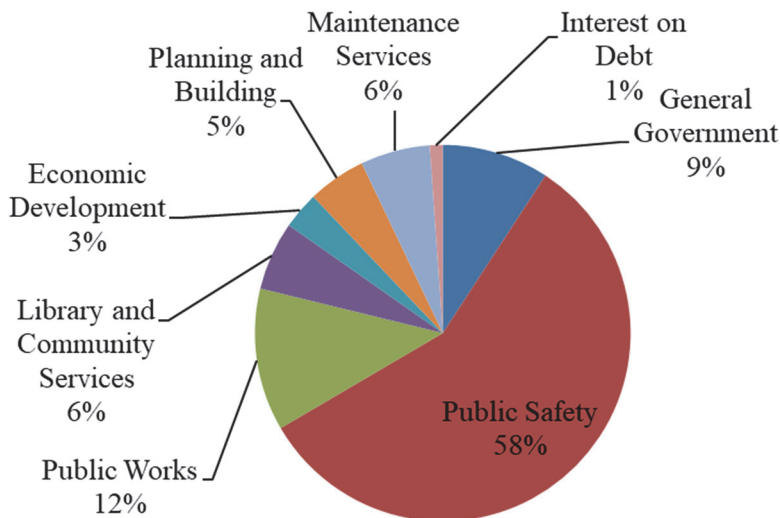
**Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2022**



### Governmental Activities Expenses

The governmental expenses (excluding transfers) decreased by \$21.1 million to \$209.4 million. Operational cost reductions of \$5.5 million in general government expenditures were offset by decreased of \$19.3 million in public safety costs, \$0.9 million in public works costs, and a net increase of \$4.6 million across other governmental activities expenditures. A significant portion of the decrease in expenditures is due to public works costs associated with the ongoing construction of the new Fire Station 6 and Regional Fire Training Center. Chart 2, *Expenses by Function* summarizes governmental expenses by category.

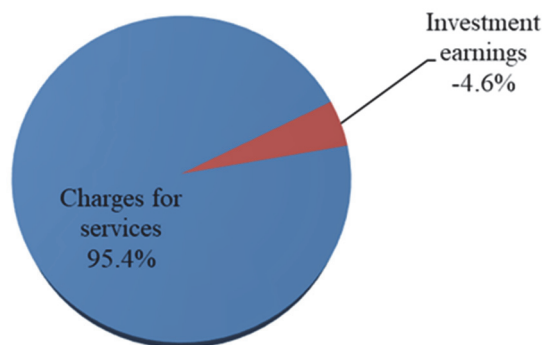
**Chart 2 – Expenses by Function – Governmental Activities for Fiscal Year 2022**



**Business-Type Activities.** The net position of business-type activities was \$380.1 million at June 30, 2022, an increase of \$11.50 million from last fiscal year. Program revenues totaled \$95.7 million, while program expenses totaled \$79.1 million.

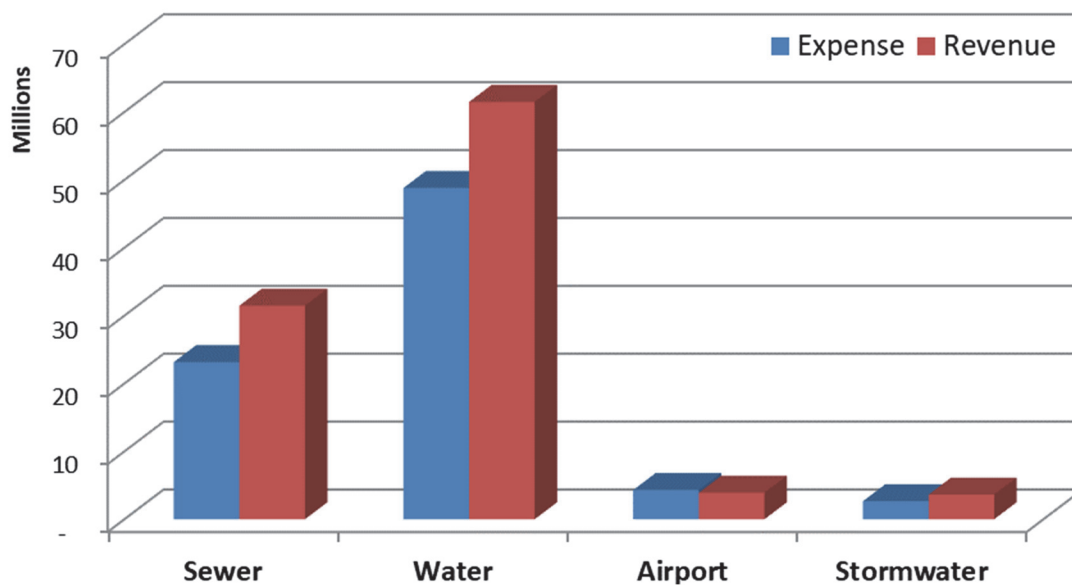
As the *Revenue by Source* chart indicates, charges for utility services account for 105.1% of the revenue for the City’s enterprise funds. Most of the revenues are generated by the Water and Sewer enterprises.

**Chart 3 – Revenues by Source – Business-type Activities**





**Chart 4 – Expenses and Program Revenues – Business-type Activities**



The *Expenses and Program Revenues* chart above illustrates both expenditures and revenues for operations and capital improvements for the City’s business-type activities.

Water, Sewer and Stormwater Funds increased their net position. Sewer saw an increase of \$1.2 million, water increased by \$8.7 million, and Stormwater increased by \$2.4 million. Given future capital expenses to be borne by these funds and increased water usage, this is an appropriate level of revenue growth. The Airport Fund experienced a slight decrease in net position of \$0.2 million.

### **Financial Analysis of the Government’s Funds**

**Governmental Funds.** The purpose of the City’s governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s funding requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year. It should be noted that unassigned amounts are designated by City Council for specific purposes.

At the end of fiscal year 2022, the City’s governmental funds reported combined ending fund balances of \$190.1 million, a decrease of \$8.2 million over prior year. Of this amount, 82.0% (\$155.9 million) represents Non-Spendable, Restricted, and Assigned fund balances; and 18.0% is Unassigned and is available for spending at the City’s discretion pursuant internal and statutory restrictions, this amount represents the General Fund Reserve balance.

**General Fund.** The General Fund, by definition, is a major governmental fund and represents all funds not required to be accounted for or presented as other funds. The General Fund accounted for 77.6% of the total governmental revenues and 68.5% of the total governmental expenditures. Several primary City services are accounted for in the General Fund, including public safety (police and fire services), general government, development services, maintenance services, and library and community services.

At the end of fiscal year 2022, the General Fund’s Unassigned fund balance was \$34.2 million (exclusive of Measure C), an increase of \$2.8 million over the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$57.9 million, a net decrease of \$8.3 million from the prior fiscal year. General Fund increased by \$1.7 million related to significant increase in real property transfer tax, property, and sales tax revenues. The decrease of \$10.0 million in fund balance in the Measure C District Sales Tax fund is primarily due to a change in transfers out to Measure C capital improvement fund to cover expenses related to New Fire Training Center project.

As a measure of the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 15.3% of total General Fund expenditures of \$224.5 million (including Transfers Out).

**General Fund Budgetary Highlights.** Fiscal year 2022 ended with a Net Change in Fund Balance of -\$8.3 million (GAAP Basis).

**Table 3 – Fiscal Year 2022 General Fund Budget Summary** *(in thousands)*

<i>(reflected in thousands)</i>	A 2022 Adopted	B 2022 Adjusted	C 2022 Actual	Variance (C-B)	Variance %
Revenues	\$193,548	\$198,348	\$205,880	\$ 7,532	3.3%
Expenditures	(175,016)	(179,991)	(181,882)	(1,891)	1.1%
Transfers In/(Out)	(38,290)	(30,689)	(32,299)	(1,610)	5.2%
<b>Net Change in Fund Balance (Budget Basis)</b>	<b>\$(19,758)</b>	<b>\$(12,332)</b>	<b>\$(8,301)</b>	<b>\$4,031</b>	

The net change in fund balance for fiscal year 2022 based on actual performance (column C) is negative \$8.3 million. The net change in fund balance is primarily attributed to federal pandemic response funding. This fund balance summary on page 30 reflects the Net Change in Fund Balance on a budget basis. Generally accepted accounting principles (GAAP Basis) require that all funds not required to be accounted for in other funds be included in the General Fund, resulting in several general ledger funds being combined and reported as the General Fund in the financial statements. These adjustments represent the GAAP Basis Fund balance and form a Net Change in Fund Balance of negative \$8.3 over prior year.

**Other Major Governmental Funds.** In addition to the General Fund, there are four other governmental funds considered to be major due to significant balances or activities in the current year and warrant a separate discussion in the management discussion and analysis: Federal Grants, American Rescue Plan Act, Housing Authority Capital Projects Fund and General Capital Projects Fund.

*Federal Grants Fund* accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

*The Housing Authority Fund Capital Projects Fund* maintains loans for affordable housing projects.

*The General Capital Projects Fund* Accounts for General Fund and special revenue fund acquisition and construction of general-purpose public facilities, street resurfacing and improvements. At the end of fiscal year 2022, the fund balance decreased by \$3.9 million due to project costs related to Fire Station Training Center project.

*American Rescue Plan Act Fund* Accounts for revenues and expenditures related to American rescue plan act of 2021.

**Proprietary Funds.** The City’s proprietary-enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of fiscal year 2022, the unrestricted net position of the Sewer and Water Funds amounted to \$109.9 and \$112.7 million, respectively. Sewer net position increased by \$1.2 million and Water net position increased to \$8.7 million. This increase in net position for Sewer is significantly less than in fiscal year 2021, in which Sewer and Water net position increased \$10.1 million and \$11.6 million respectively.

**Fiduciary Funds.** The Successor Agency to the Redevelopment Agency Private Purpose Trust Fund provides information about the City’s former Redevelopment Agency. In fiscal year 2022 the fund ended with a net position of \$10 million, an increase of \$2.1 million over prior fiscal year. The Successor Agency Fund is supported by property taxes, investment income, and rental income. These revenues exceeded the funds expenses in both the current and prior fiscal years.

### Capital Asset and Debt Administration

**Capital Assets.** As of June 30, 2022, the City’s investments in capital assets for its governmental and business-type activities are \$641.2 million (net of accumulated depreciation) as presented below in Table 4. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, and street infrastructure such as roads, bridges, streetlights, traffic signals, airport hangers, sewer, and water pipelines. The City’s investment in capital assets for the current fiscal year increased by 3.2%, with several projects moving from being classified as Construction in Progress to classified as completed Improvements and Buildings.

**Table 4 – City of Hayward Capital Assets** (in millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$19.2	\$19.0	\$4.8	\$4.8	\$24.0	\$23.7
Construction in progress	62.1	42.6	24.9	19.7	87.0	62.3
Buildings	70.4	71.9	13.7	14.3	84.1	86.2
Improvements other than buildings	61.2	47.1	-	-	61.2	47.1
Machinery and equipment	23.7	23.0	52.5	54.7	76.2	77.6
Street infrastructure	220.2	229.8	-	-	220.2	229.8
Sewer infrastructure	-	-	54.3	57.8	54.3	57.8
Water infrastructure	-	-	27.0	28.8	27.0	28.8
Airport infrastructure	-	-	7.2	7.9	7.2	7.9
<b>Total</b>	<b>\$456.9</b>	<b>\$433.2</b>	<b>\$184.3</b>	<b>\$188.0</b>	<b>\$641.2</b>	<b>\$621.2</b>

Additional information on the City’s capital assets can be found in Note 6 to the basic financial statements.

**Debt Administration.** At the end of fiscal year 2022, the City had total bonded debt outstanding of \$112.1 million as presented in Table 5. This represents a decrease of \$9.9 million versus the prior year. Of the total outstanding bond debt, \$59.5 million represents certificates of participation debt for Civic Center Project (City Hall) and 21<sup>st</sup> Century Library; \$9.7 million for private placement certificates of participation for Fire Station and Wellness Center; \$0.6 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$34 million represents State Water Board financing for a water pollution control facility; \$2.0 million private placement lease; \$2.6 million loan represents loan from State Energy Resources Conservation and Development Commission.

With the dissolution of the City’s Redevelopment Agency, tax allocation bonds for redevelopment projects are no longer reflected in the City’s financial statements as this debt is now part of the Successor Agency to the Hayward Redevelopment Agency.

**Table 5 – City of Hayward Outstanding Debt** (in millions)

	Governmental Activities		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Certificates of Participation	\$59.5	\$63.0	-	-	\$59.5	\$63.0
Private Placement Certificate of Participation	9.7	11.5	-	-	9.7	11.5
Capital Lease Equipment	0.3	-	-	-	0.3	-
Capital Lease Obligations	0.6	0.8	-	-	0.6	0.8
Private Placement Loan	3.0	3.4	2.0	2.6	5.0	6.0
State Water Resources Control Board Loan	-	-	34.0	37.1	34.0	37.1
State Energy Resources Conservation	0.4	0.7	2.6	2.9	3.0	3.5
<b>Total Long-Term Debt</b>	<b>\$73.6</b>	<b>\$79.4</b>	<b>\$38.5</b>	<b>\$42.6</b>	<b>\$112.1</b>	<b>\$122.0</b>

Local Improvement Districts (LIDS) in different parts of the City and a Community Facilities District #1 (Eden Shores) have also issued debt to finance infrastructure and facilities construction in their respective districts. As described in Note 9 to the financial statements, the City has sponsored special assessment debt issues, but has no legal liability for repayment. Therefore, these are not included in the City’s governmental debt. As of June 30, 2022, a total of \$4.6 million in special assessment district debt was outstanding by four special assessment districts. (Further detail regarding the City debt can be found in Note 9 to the financial statements.)

### **Economic Outlook and Major Initiatives**

The economy of the City and major initiatives are discussed in the Transmittal Letter located in the Introductory Section of the ACFR.

### **Contacting the City’s Financial Management**

This report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Additional financial information is available on our website at: [www.hayward-ca.gov](http://www.hayward-ca.gov) . Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Hayward Finance Department, 777 B Street, Hayward, California 94541-5007.

## CITY OF HAYWARD, CALIFORNIA

### STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows and all its liabilities and deferred inflows, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflow of resources from total assets and deferred outflow of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column, and the financial position of the entire City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects, and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared using the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Hayward Public Financing Authority, the Hayward Business Improvement District, and the Hayward Housing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

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CITY OF HAYWARD  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$232,505,769	\$249,070,674	\$481,576,443
Cash, cash equivalents, and investments with fiscal agents (Note 2)	7,690,832	2	7,690,834
Accounts receivable, net	7,725,460	19,603,279	27,328,739
Due from other governments	17,366,423	24,780	17,391,203
Interest receivable	70,217	65,625	135,842
Internal balances (Note 5)	(2,937,681)	2,937,681	
Loans receivable (Note 3)	32,261,617		32,261,617
Leases receivable (Note 4)		26,529,550	26,529,550
Long-term loans to the Private Purpose Trust Fund (Note 20)	7,539,979		7,539,979
Land held for resale (Note 1)	6,838,652		6,838,652
Deposits, parts, supplies and other	281,569	4,283,914	4,565,483
Investment in East Bay Dischargers Authority (Note 17)		9,416,305	9,416,305
Capital assets (Note 6):			
Land	19,246,485	4,757,492	24,003,977
Construction in progress	62,135,175	24,875,307	87,010,482
Depreciable capital assets, net	375,525,793	154,671,819	530,197,612
Total assets	<u>766,250,290</u>	<u>496,236,428</u>	<u>1,262,486,718</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions (Note 13)	48,810,189	2,667,632	51,477,821
Related to OPEB (Note 15)	14,885,698	2,951,934	17,837,632
Deferred loss on refunding (Note 7)	468,608		468,608
Total deferred outflows of resources	<u>64,164,495</u>	<u>5,619,566</u>	<u>69,784,061</u>
<b>LIABILITIES:</b>			
Accounts payable	18,389,470	6,723,494	25,112,964
Accrued interest	417,762	332,588	750,350
Accrued liabilities	29,090,630	731,805	29,822,435
Unearned revenue	32,158,259	643,053	32,801,312
Refundable deposits	4,861,185	3,916,866	8,778,051
Accrued reclamation costs, due within one year (Note 11)		125,000	125,000
Compensated absences (Note 1):			
Due within one year	7,848,927	1,133,611	8,982,538
Due in more than one year	1,832,678	397,484	2,230,162
Long-term debt (Note 7):			
Due within one year	6,349,202	4,153,260	10,502,462
Due in more than one year	67,248,296	34,370,238	101,618,534
Net pension liabilities, due in more than one year (Note 13)	327,215,657	19,901,153	347,116,810
Net OPEB liability, due in more than one year (Note 15)	58,252,041	11,551,770	69,803,811
Total liabilities	<u>553,664,107</u>	<u>83,980,322</u>	<u>637,644,429</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to leases (Note 4)		26,271,038	26,271,038
Related to pensions (Note 13)	86,574,095	6,271,109	92,845,204
Related to OPEB (Note 15)	26,633,953	5,281,692	31,915,645
Total deferred inflows of resources	<u>113,208,048</u>	<u>37,823,839</u>	<u>151,031,887</u>
<b>NET POSITION (Note 10):</b>			
Net investments in capital assets	385,787,176	145,781,120	531,568,296
Restricted for:			
Public safety	355,389		355,389
Debt service	7,194,360	2	7,194,362
Public works and transportation	35,867,902		35,867,902
Planning and building	37,505,211		37,505,211
Economic development	40,798,425		40,798,425
Total restricted net position	<u>121,721,287</u>	<u>2</u>	<u>121,721,289</u>
Unrestricted	(343,965,833)	234,270,711	(109,695,122)
Total net position	<u>\$163,542,630</u>	<u>\$380,051,833</u>	<u>\$543,594,463</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES:</b>				
General government	\$19,288,029	\$2,237,533	\$16,306,675	
Public safety	120,120,829	2,469,328	5,118,878	
Public works and transportation	25,616,470	5,909,251	12,948,844	\$3,594,521
Library and community services	12,359,104	2,341,288	281,021	
Economic development	6,672,124	2,653,271		
Planning and building	10,485,538	6,237,845		
Maintenance services	12,539,476	2,120,249		
Interest on long-term debt	2,320,830			
<b>Total Governmental Activities</b>	<b>209,402,400</b>	<b>23,968,765</b>	<b>34,655,418</b>	<b>3,594,521</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Sewer	23,143,122	31,457,157		
Water	48,798,451	61,480,757		
Airport	4,299,086	3,900,365		
Stormwater	2,658,755	3,618,896		
Recycling	240,200	104,027		
<b>Total Business-type Activities</b>	<b>79,139,614</b>	<b>100,561,202</b>		
<b>Total</b>	<b>\$288,542,014</b>	<b>\$124,529,967</b>	<b>\$34,655,418</b>	<b>\$3,594,521</b>

**GENERAL REVENUES:**

Taxes:
Property taxes
Sales taxes
Utility users tax
Real property transfer tax
Franchise tax
Business tax
Excise tax
Other taxes
Motor vehicle in-lieu, unrestricted
Investment earnings
(Loss) on investment in East Bay Dischargers Authority
Gain on sale of capital assets
Miscellaneous
TRANSFERS (Note 5)

Total General Revenues And Transfers

CHANGE IN NET POSITION

BEGINNING NET POSITION

ENDING NET POSITION

See accompanying notes to basic financial statements



Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$743,821)		(\$743,821)
(112,532,623)		(112,532,623)
(3,163,854)		(3,163,854)
(9,736,795)		(9,736,795)
(4,018,853)		(4,018,853)
(4,247,693)		(4,247,693)
(10,419,227)		(10,419,227)
(2,320,830)		(2,320,830)
<u>(147,183,696)</u>		<u>(147,183,696)</u>
	\$8,314,035	8,314,035
	12,682,306	12,682,306
	(398,721)	(398,721)
	960,141	960,141
	<u>(136,173)</u>	<u>(136,173)</u>
	21,421,588	21,421,588
<u>(147,183,696)</u>	21,421,588	<u>(125,762,108)</u>
64,950,195		64,950,195
64,666,358		64,666,358
17,308,117		17,308,117
21,226,290		21,226,290
10,515,952		10,515,952
3,996,798		3,996,798
1,958,345		1,958,345
9,879,685		9,879,685
182,633		182,633
(3,912,851)	(4,862,077)	(8,774,928)
	(965,799)	(965,799)
37,265		37,265
9,449,880		9,449,880
4,112,715	<u>(4,112,715)</u>	
<u>204,371,382</u>	<u>(9,940,591)</u>	<u>194,430,791</u>
57,187,686	11,480,997	68,668,683
<u>106,354,944</u>	<u>368,570,836</u>	<u>474,925,780</u>
<u>\$163,542,630</u>	<u>\$380,051,833</u>	<u>\$543,594,463</u>

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# CITY OF HAYWARD, CALIFORNIA

## FUND FINANCIAL STATEMENTS

The Fund financial statements include only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

### MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be major funds by the City in fiscal year 2022. Individual non-major funds are reported in the Supplemental Section.

*General Fund* is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

*Federal Grants* accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity, or program.

*American Rescue Plan Act* – Accounts for the American Rescue Plan Act (ARPA) federal stimulus package grants received by the City for internal and external needs of the City associated with the COVID-19 crisis.

*Housing Authority* – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

*General Capital Projects Fund* – Accounts for General Fund and special revenue fund acquisition and construction of general purpose public facilities, street surfacing and improvements.

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022

	Special Revenue Funds		
	General*	Federal Grants	America Rescue Plan Act
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$55,768,818	\$2,832,353	\$26,894,132
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	898,983		
Due from other governments	13,692,963	1,821	
Interest receivable			
Due from other funds (Note 5)	1,091,840		
Loans receivable (Note 4)	50,000	12,711,474	
Long-term loans to the Private Purpose Trust Fund (Note 20)	3,636,442		
Land held for resale (Note 1)			
Deposits, parts, supplies and other	4,714		
<b>Total Assets</b>	<b>\$75,143,760</b>	<b>\$15,545,648</b>	<b>\$26,894,132</b>
<b>LIABILITIES:</b>			
Accounts payable	\$2,445,905	\$96,398	\$722,661
Accrued liabilities	7,391,774		553
Due to other funds (Note 5)			
Long-term interfund payables (Note 5)	2,937,681		
Unearned revenue			26,170,918
Refundable deposits	4,476,968		
<b>Total Liabilities</b>	<b>17,252,328</b>	<b>96,398</b>	<b>26,894,132</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue			
<b>Total Deferred Inflows of Resources</b>			
<b>FUND BALANCES (Note 10):</b>			
Nonspendable	3,641,156		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		15,449,250	
Economic development			
Debt service			
Assigned	20,025,339		
Unassigned	34,224,937		
<b>Total Fund Balances</b>	<b>57,891,432</b>	<b>15,449,250</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$75,143,760</b>	<b>\$15,545,648</b>	<b>\$26,894,132</b>

See accompanying notes to basic financial statements

\* Includes balances related to the City's Measure C District Sales Tax.

<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Housing Authority</u>	<u>General Capital Projects</u>		
\$5,117,106	\$10,341,495	\$73,732,616	\$174,686,520
	7,690,832		7,690,832
	5,615,661	651,192	7,165,836
	53,105	3,613,980	17,361,869
		70,217	70,217
			1,091,840
12,980,003		6,520,140	32,261,617
3,876,516			7,512,958
707,539		6,131,113	6,838,652
			4,714
<u>\$22,681,164</u>	<u>\$23,701,093</u>	<u>\$90,719,258</u>	<u>\$254,685,055</u>
\$51	\$7,571,015	\$5,014,196	\$15,850,226
2,518	37,974	73,249	7,506,068
		1,091,840	1,091,840
			2,937,681
	5,544,730	418,415	32,134,063
	40,146	338,134	4,855,248
<u>2,569</u>	<u>13,193,865</u>	<u>6,935,834</u>	<u>64,375,126</u>
		189,982	189,982
		189,982	189,982
			3,641,156
		355,389	355,389
		35,867,902	35,867,902
		22,055,961	37,505,211
22,678,595		18,119,830	40,798,425
		7,194,360	7,194,360
	10,507,228		30,532,567
			34,224,937
<u>22,678,595</u>	<u>10,507,228</u>	<u>83,593,442</u>	<u>190,119,947</u>
<u>\$22,681,164</u>	<u>\$23,701,093</u>	<u>\$90,719,258</u>	<u>\$254,685,055</u>

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022

Total Fund Balances reported on the governmental funds balance sheet \$190,119,947

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

Land	18,873,737
Construction in progress	61,522,485
Depreciable capital assets, net	353,858,723

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	57,819,249
Accounts receivable	559,624
Due from other governments	4,554
Long-term loans to the Private Purpose Trust Fund	27,021
Deposits, parts, supplies and other	276,855
Land	372,748
Construction in progress	612,690
Depreciable capital assets, net	21,667,070
Accounts payable	(2,539,244)
Accrued interest	(3,631)
Accrued liabilities	(21,584,562)
Unearned revenue	(24,196)
Refundable deposits	(5,937)
Compensated absences	(696,976)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,403,428)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(4,962,955)
Long-term debt	(606,339)

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues that are not currently available are shown as deferred on the Fund Balance Sheets are recognized as revenue on the Statement of Activities.

Unavailable revenue	189,982
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**LONG-TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Fund financial statements:

Long-term debt	(72,991,159)
Deferred outflow for deferred loss on refunding	468,608
Interest payable	(414,131)
Compensated absences	(8,984,629)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(356,576,135)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(65,037,341)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$163,542,630
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See accompanying notes to basic financial statements

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CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		
	General*	Federal Grants	America Rescue Plan Act
REVENUES:			
Property taxes	\$63,524,226		
Sales taxes	64,666,358		
Utility users tax	17,308,117		
Other taxes	40,989,057		
Licenses and permits	7,040,991		
Fines and forfeitures	2,687,659		
Special assessments			
Investment income	(1,071,533)	(\$45,996)	(\$251,911)
Rental income	476		
Intergovernmental	6,303,496	1,162,481	12,295,076
Fees and charges for services	4,271,451		
Other revenue	160,055	171,669	
Total Revenues	205,880,353	1,288,154	12,043,165
EXPENDITURES:			
Current:			
General government	14,916,462		4,348,070
Public safety	134,446,672	144,522	41,982
Public works and transportation	4,117,683		89,829
Library and community services	8,460,055	369,953	
Economic development		121,096	
Planning and building	9,576,414		
Maintenance services	10,364,501		313,284
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	181,881,787	635,571	4,793,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	23,998,566	652,583	7,250,000
OTHER FINANCING SOURCES (USES):			
Issuance of capital lease (Note 7)			
Transfers in (Note 5)	10,297,546		
Transfers (out) (Note 5)	(42,596,087)	(40,000)	(7,250,000)
Total Other Financing Sources (Uses)	(32,298,541)	(40,000)	(7,250,000)
CHANGE IN FUND BALANCES	(8,299,975)	612,583	
BEGINNING FUND BALANCES	66,191,407	14,836,667	
ENDING FUND BALANCES	\$57,891,432	\$15,449,250	

See accompanying notes to basic financial statements

\* Includes revenue and expenditures related to the City's Measure C District Sales Tax.



<u>Capital Projects Funds</u>			
<u>Housing Authority</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$63,524,226
			64,666,358
			17,308,117
	\$734,447	\$570,491	42,293,995
			7,040,991
		220,655	2,908,314
		1,427,107	1,427,107
(\$128,012)	(278,215)	(1,033,230)	(2,808,897)
		722,849	723,325
	2,381,143	20,438,909	42,581,105
1,222		4,032,534	8,305,207
3,997,427	8,083,133	4,737,796	17,150,080
<u>3,870,637</u>	<u>10,920,508</u>	<u>31,117,111</u>	<u>265,119,928</u>
			19,264,532
		914,286	135,547,462
	40,743	5,592,896	9,841,151
		1,767,260	10,597,268
3,928,369		2,624,753	6,674,218
			9,576,414
		1,340,159	12,017,944
	38,247,054	15,049,071	53,296,125
	707,992	5,549,560	6,257,552
	35,411	2,580,563	2,615,974
<u>3,928,369</u>	<u>39,031,200</u>	<u>35,418,548</u>	<u>265,688,640</u>
<u>(57,732)</u>	<u>(28,110,692)</u>	<u>(4,301,437)</u>	<u>(568,712)</u>
	1,063,021		1,063,021
	23,451,560	8,993,340	42,742,446
(10,688)	(351,500)	(1,179,430)	(51,427,705)
<u>(10,688)</u>	<u>24,163,081</u>	<u>7,813,910</u>	<u>(7,622,238)</u>
(68,420)	(3,947,611)	3,512,473	(8,190,950)
22,747,015	14,454,839	80,080,969	198,310,897
<u>\$22,678,595</u>	<u>\$10,507,228</u>	<u>\$83,593,442</u>	<u>\$190,119,947</u>

CITY OF HAYWARD  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
WITH THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$8,190,950)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balance	53,296,125
Non-capitalized capital outlay expenditures and net retirements were reclassified to various governmental activities	(14,564,462)
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$3,026,296 which has already been allocated to service funds)	(15,040,881)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Proceeds from capital leases are deducted from fund balance	(1,063,021)
Repayment of debt principal and amortization of bond premiums and deferred loss are added back to fund balance	6,636,675
Amortization of deferred loss on refunding is deducted from fund balance	(93,721)
Interest payable is added back to fund balance	31,065

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Unavailable revenue	(1,529,786)
Compensated absences	366,921
Net pension liabilities and pension-related deferred outflows/inflows of resources	22,286,724
Net OPEB liabilities and OPEB-related deferred outflows/inflows of resources	10,433,375

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	4,619,622
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$57,187,686
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See accompanying notes to basic financial statements

## CITY OF HAYWARD, CALIFORNIA

### MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2022. These statements include balances for both operating and capital funds.

The disclosure of budget versus actual comparisons is not required for proprietary funds.

*Sewer Fund* – Accounts for activities associated with sewage transmission and treatment.

*Water Fund* – Accounts for activities associated with distribution and transmission of potable water to users.

*Airport Fund* – Accounts for the operation, development and maintenance of the Hayward Air Terminal.

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
<b>ASSETS:</b>						
<b>Current Assets:</b>						
Cash and investments (Note 2)	\$109,542,651	\$122,718,167	\$9,578,086	\$7,231,770	\$249,070,674	\$57,819,249
Cash and investments with fiscal agents (Note 2)	1	1			2	
Accounts receivable, net	5,754,901	11,880,052	177,155	1,791,171	19,603,279	559,624
Interest receivable			65,625		65,625	
Due from other governments	14,084	135		10,561	24,780	4,554
Deposits, parts, supplies and other	2,471,492	1,803,810	8,612		4,283,914	276,855
Due from other funds (Note 5)	329,813				329,813	
<b>Total Current Assets</b>	<b>118,112,942</b>	<b>136,402,165</b>	<b>9,829,478</b>	<b>9,033,502</b>	<b>273,378,087</b>	<b>58,660,282</b>
<b>Noncurrent Assets:</b>						
Leases receivable (Note 4)			26,529,550		26,529,550	
Long-term interfund receivables (Note 5)		2,937,681			2,937,681	
Long-term loans to the Private Purpose Trust Fund (Note 20)						27,021
Investment in East Bay Dischargers Authority (Note 17)	9,416,305				9,416,305	
<b>Capital assets (Note 6):</b>						
Land	1,830,143	2,683,047	244,302		4,757,492	372,748
Construction in progress	9,809,312	14,105,784	960,211		24,875,307	612,690
Depreciable capital assets, net	105,133,799	38,269,504	11,268,098	418	154,671,819	21,667,070
<b>Total Noncurrent Assets</b>	<b>126,189,559</b>	<b>57,996,016</b>	<b>39,002,161</b>	<b>418</b>	<b>223,188,154</b>	<b>22,679,529</b>
<b>Total Assets</b>	<b>244,302,501</b>	<b>194,398,181</b>	<b>48,831,639</b>	<b>9,033,920</b>	<b>496,566,241</b>	<b>81,339,811</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions (Note 13)	1,096,350	1,101,109	214,424	255,749	2,667,632	953,736
Related to OPEB (Note 15)	1,213,193	1,218,460	237,276	283,005	2,951,934	1,055,382
<b>Total Deferred Outflows of Resources</b>	<b>2,309,543</b>	<b>2,319,569</b>	<b>451,700</b>	<b>538,754</b>	<b>5,619,566</b>	<b>2,009,118</b>
<b>LIABILITIES:</b>						
<b>Current Liabilities:</b>						
Accounts payable	703,903	5,902,450	90,001	27,140	6,723,494	2,539,244
Accrued interest	323,438	6,041	3,109		332,588	3,631
Accrued liabilities	311,084	287,498	60,771	72,452	731,805	21,584,562
Unearned revenue	229,565	431,617	(18,129)		643,053	24,196
Refundable deposits		3,796,699	120,167		3,916,866	5,937
Due to other funds (Note 5)				329,813	329,813	
Compensated absences, due within one year (Note 1)	411,368	543,738	95,316	83,189	1,133,611	565,042
Accrued reclamation costs (Note 11)	125,000				125,000	
Long-term debt, due within one year (Note 7)	3,503,260	505,529	144,471		4,153,260	227,551
<b>Total Current Liabilities</b>	<b>5,607,618</b>	<b>11,473,572</b>	<b>495,706</b>	<b>512,594</b>	<b>18,089,490</b>	<b>24,950,163</b>
<b>Noncurrent Liabilities:</b>						
Compensated absences, due in more than one year (Note 1)	144,240	190,654	33,421	29,169	397,484	131,934
Net pension liabilities, due in more than one year (Note 13)	8,179,023	8,214,531	1,599,649	1,907,950	19,901,153	7,115,105
Net OPEB liability, due in more than one year (Note 15)	4,747,574	4,768,185	928,528	1,107,483	11,551,770	4,130,015
Long-term debt, due in more than one year (Note 7)	33,020,238	1,050,197	299,803		34,370,238	378,788
<b>Total Noncurrent Liabilities</b>	<b>46,091,075</b>	<b>14,223,567</b>	<b>2,861,401</b>	<b>3,044,602</b>	<b>66,220,645</b>	<b>11,755,842</b>
<b>Total Liabilities</b>	<b>51,698,693</b>	<b>25,697,139</b>	<b>3,357,107</b>	<b>3,557,196</b>	<b>84,310,135</b>	<b>36,706,005</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Related to leases (Note 4)			26,271,038		26,271,038	
Related to pensions (Note 13)	2,577,316	2,588,504	504,070	601,219	6,271,109	2,242,059
Related to OPEB (Note 15)	2,170,682	2,180,106	424,541	506,363	5,281,692	1,888,322
<b>Total Deferred Inflows of Resources</b>	<b>4,747,998</b>	<b>4,768,610</b>	<b>27,199,649</b>	<b>1,107,582</b>	<b>37,823,839</b>	<b>4,130,381</b>
<b>NET POSITION (Note 10):</b>						
Net investments in capital assets	80,249,756	53,502,609	12,028,337	418	145,781,120	22,046,169
Restricted for debt service	1	1			2	
Unrestricted	109,915,596	112,749,391	6,698,246	4,907,478	234,270,711	20,466,374
<b>Total Net Position</b>	<b>\$190,165,353</b>	<b>\$166,252,001</b>	<b>\$18,726,583</b>	<b>\$4,907,896</b>	<b>\$380,051,833</b>	<b>\$42,512,543</b>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
OPERATING REVENUES:						
Charges for services	\$30,598,276	\$17,207,565	\$3,747,152	\$3,676,723	\$55,229,716	\$31,652,434
Sale of water		43,982,238			43,982,238	
Miscellaneous	858,881	290,954	153,213	46,200	1,349,248	1,184,633
Total Operating Revenues	<u>31,457,157</u>	<u>61,480,757</u>	<u>3,900,365</u>	<u>3,722,923</u>	<u>100,561,202</u>	<u>32,837,067</u>
OPERATING EXPENSES:						
Salaries and related expenses	9,824,309	8,827,057	2,205,372	2,154,823	23,011,561	8,666,135
Materials, supplies and services	5,380,560	5,406,450	909,501	730,058	12,426,569	12,863,747
Repairs and maintenance	1,229,342	1,240,686	239,759	13,909	2,723,696	4,039,299
Water purchases		30,880,083			30,880,083	
Self-funded insurance expense						11,285,848
Depreciation (Note 6)	6,183,762	2,383,475	944,454	165	9,511,856	3,026,296
Total Operating Expenses	<u>22,617,973</u>	<u>48,737,751</u>	<u>4,299,086</u>	<u>2,898,955</u>	<u>78,553,765</u>	<u>39,881,325</u>
Operating Income (Loss)	<u>8,839,184</u>	<u>12,743,006</u>	<u>(398,721)</u>	<u>823,968</u>	<u>22,007,437</u>	<u>(7,044,258)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	(2,189,270)	(2,652,166)	133,563	(154,204)	(4,862,077)	(1,150,036)
Interest (expense)	(525,149)	(60,700)			(585,849)	(21,323)
(Loss) on investment in JPA	(965,799)				(965,799)	
Gain on sale of capital assets						37,265
Net Nonoperating Revenues (Expenses)	<u>(3,680,218)</u>	<u>(2,712,866)</u>	<u>133,563</u>	<u>(154,204)</u>	<u>(6,413,725)</u>	<u>(1,134,094)</u>
Income (Loss) Before Contributions and Transfers	<u>5,158,966</u>	<u>10,030,140</u>	<u>(265,158)</u>	<u>669,764</u>	<u>15,593,712</u>	<u>(8,178,352)</u>
TRANSFERS						
Transfers in (Note 5)	794,608	1,289,912		2,441,000	4,525,520	13,321,676
Transfers (out) (Note 5)	(4,706,386)	(2,587,459)	(292,596)	(1,051,794)	(8,638,235)	(523,702)
Net Transfers	<u>(3,911,778)</u>	<u>(1,297,547)</u>	<u>(292,596)</u>	<u>1,389,206</u>	<u>(4,112,715)</u>	<u>12,797,974</u>
CHANGE IN NET POSITION	1,247,188	8,732,593	(557,754)	2,058,970	11,480,997	4,619,622
BEGINNING NET POSITION	<u>188,918,165</u>	<u>157,519,408</u>	<u>19,284,337</u>	<u>2,848,926</u>	<u>368,570,836</u>	<u>37,892,921</u>
ENDING NET POSITION	<u>\$190,165,353</u>	<u>\$166,252,001</u>	<u>\$18,726,583</u>	<u>\$4,907,896</u>	<u>\$380,051,833</u>	<u>\$42,512,543</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Sewer	Water	Airport	Non-Major Funds	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers	\$31,292,001	\$62,534,469	\$3,737,448	\$3,703,074	\$101,266,992	\$32,674,794
Payments to suppliers	(7,027,278)	(35,687,636)	(1,150,704)	(745,916)	(44,611,534)	(26,783,691)
Payments to employees	(9,983,534)	(9,170,988)	(1,989,913)	(2,160,244)	(23,304,679)	(9,639,609)
Net Cash Flows From Operating Activities	<u>14,281,189</u>	<u>17,675,845</u>	<u>596,831</u>	<u>796,914</u>	<u>33,350,779</u>	<u>(3,748,506)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Interfund receipts (payments)	(193,763)	77,798		193,762	77,797	
Transfers in	794,608	1,289,912		2,441,000	4,525,520	13,321,676
Transfers (out)	(4,706,386)	(2,587,459)	(292,596)	(1,051,794)	(8,638,235)	(523,702)
Net Cash Flows From Noncapital and Related Financing Activities	<u>(4,105,541)</u>	<u>(1,219,749)</u>	<u>(292,596)</u>	<u>1,582,968</u>	<u>(4,034,918)</u>	<u>12,797,974</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition of capital assets	(5,376,684)	(56,713)	(402,007)		(5,835,404)	(2,993,794)
Proceeds from sale of capital assets						
Principal payments on capital debt	(3,492,574)	(487,444)	(142,556)		(4,122,574)	(220,936)
Interest paid	(527,123)	(62,858)	(725)		(590,706)	(22,884)
Net Cash Flows From Capital and Related Financing Activities	<u>(9,396,381)</u>	<u>(607,015)</u>	<u>(545,288)</u>		<u>(10,548,684)</u>	<u>(3,237,614)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income - loss in fair value	(2,189,270)	(2,652,166)	133,563	(154,204)	(4,862,077)	(1,150,036)
Net Cash Flows From Investing Activities	<u>(2,189,270)</u>	<u>(2,652,166)</u>	<u>133,563</u>	<u>(154,204)</u>	<u>(4,862,077)</u>	<u>(1,150,036)</u>
<b>NET CASH FLOWS</b>	<b>(1,410,003)</b>	<b>13,196,915</b>	<b>(107,490)</b>	<b>2,225,678</b>	<b>13,905,100</b>	<b>4,661,818</b>
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>110,952,654</b>	<b>109,521,252</b>	<b>9,685,576</b>	<b>5,006,092</b>	<b>235,165,574</b>	<b>53,157,431</b>
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$109,542,651</u></b>	<b><u>\$122,718,167</u></b>	<b><u>\$9,578,086</u></b>	<b><u>\$7,231,770</u></b>	<b><u>\$249,070,674</u></b>	<b><u>\$57,819,249</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$8,839,184	\$12,743,006	(\$398,721)	\$823,968	\$22,007,437	(\$7,044,258)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	6,183,762	2,383,475	944,454	165	9,511,856	3,026,296
Change in assets and liabilities:						
Receivables, net	(151,072)	392,404	160,204	17,559	419,095	30,171
Deposits, parts, supplies and other	331,506	(609,653)	(8,612)		(286,759)	(276,855)
Due from other governments	(14,084)	(135)	12,918	(572)	(1,873)	88,104
Due to interest receivable			(65,625)		(65,625)	
Due to leases receivable			(258,512)		(258,512)	
Accounts payable and other accrued expenses	(748,882)	2,449,236	7,168	(1,949)	1,705,573	1,405,203
Due to retirement system	115,736	(26,891)	162,386	17,226	268,457	(446,978)
Due to OPEB	(191,157)	(276,708)	45,047	(57,465)	(480,283)	(501,814)
Compensated absences	(83,804)	(40,332)	8,026	(2,018)	(118,128)	(24,682)
Refundable deposits		669,826	6,227		676,053	
Unearned revenue		(8,383)	(18,129)		(26,512)	(3,693)
Net Cash Flows From Operating Activities	<u>\$14,281,189</u>	<u>\$17,675,845</u>	<u>\$596,831</u>	<u>\$796,914</u>	<u>\$33,350,779</u>	<u>(\$3,748,506)</u>
<b>NON-CASH TRANSACTIONS:</b>						
Retirement of capital assets						\$37,265

See accompanying notes to basic financial statements

## CITY OF HAYWARD, CALIFORNIA

### FIDUCIARY FUND FINANCIAL STATEMENTS

The Fiduciary funds account for resources received and are held by the City in a fiduciary capacity. Disbursements are made in accordance with the trust agreement, applicable legislative enactment, or custodial agreement for each fund.

*Successor Agency to the Redevelopment Agency Private Purpose Trust Fund* – This fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Hayward.

*Custodial Funds* account for assets held by the City as custodian for individuals, other governmental entities, and non-public organizations.

CITY OF HAYWARD  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2022

	Private Purpose Trust Fund	Custodial Funds
<b>CURRENT ASSETS:</b>		
Cash and investments (Note 2)	\$2,670,191	\$4,856,861
Cash and investments with fiscal agents (Note 2)	26	353,913
Accounts receivable, net	453,912	1,060,926
Due from other governments		83,959
Deposits, parts, supplies and other		201,524
	<u>3,124,129</u>	<u>6,557,183</u>
<b>NONCURRENT ASSETS:</b>		
Loans receivable (Note 20)	24,509,337	
Land held for resale	3,483,031	
Capital assets (Note 20):		
Land	4,430,516	
Depreciable capital assets, net	9,173,337	
	<u>41,596,221</u>	<u>        </u>
<b>Total Noncurrent Assets</b>	<u>41,596,221</u>	<u>        </u>
<b>Total Assets</b>	<u>44,720,350</u>	<u>6,557,183</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	32,819	229,217
Accrued interest	391,196	
Deferred revenue	63,165	1,137,861
Refundable deposits		45,929
Long-term debt, due in less than one year (Note 20)	2,070,000	
	<u>2,557,180</u>	<u>1,413,007</u>
<b>Total Current Liabilities</b>	<u>2,557,180</u>	<u>1,413,007</u>
<b>NONCURRENT LIABILITIES (Note 20):</b>		
Long-term loans payable, due in more than one year	7,539,979	
Long-term debt, due in more than one year	24,661,117	
	<u>32,201,096</u>	<u>        </u>
<b>Total Noncurrent Liabilities</b>	<u>32,201,096</u>	<u>        </u>
<b>Total Liabilities</b>	<u>34,758,276</u>	<u>1,413,007</u>
<b>NET POSITION</b>		
Restricted for:		
Organizations and other governments	9,962,074	1,059,475
Bondholders		4,084,701
	<u>9,962,074</u>	<u>5,144,176</u>
<b>Total Net Position</b>	<u>\$9,962,074</u>	<u>\$5,144,176</u>

See accompanying notes to basic financial statements



CITY OF HAYWARD  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax	\$3,701,590	\$1,107,050
Special assessment		176,333
Intergovernmental revenue		41,396
Other revenue		18,445
Rental income	45,833	
Investment income	6	(96,012)
	<u>3,747,429</u>	<u>1,247,212</u>
Total additions		
DEDUCTIONS		
Maintenance services	286,611	496,188
Contractual services		102,578
Payments to bondholders		362,762
Depreciation expense (Note 20)	314,131	
Interest and fiscal charges	1,041,616	202,126
	<u>1,642,358</u>	<u>1,163,654</u>
Total deductions		
Net change in position	2,105,071	83,558
Net position - beginning	<u>7,857,003</u>	<u>5,060,618</u>
Net position - ending	<u>\$9,962,074</u>	<u>\$5,144,176</u>

See accompanying notes to basic financial statements

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**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Description of Reporting Entity** – The City of Hayward, California (the “City”) was originally incorporated as the Town of Hayward in 1876. On March 7, 1956, the people of the City adopted a City Charter under which the City currently operates. The City maintains a Council-Manager form of government and is governed by an independently elected seven-member City Council. The City provides the following services as authorized by its charter: public safety (police, fire, and building inspection), highways and streets, sanitation, water, airport, social services, public improvements, planning, library and zoning, and general administrative services.

**Reporting Entity** – The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. The City Council sits in a different capacity as the governing boards of the following entities. Although they are separate legal entities, *blended* component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. Also, there is either a financial benefit or burden relationship between the City and the component units below or the City has operational responsibility for them. The City’s component units which are described below are all blended.

- *Hayward Public Financing Authority* (the “Authority”) – In May 1989, the City and the former Redevelopment Agency entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California, thereby forming the Authority for the purpose of financing certain capital improvements within the City. These capital improvements are leased to the City for rental payments, which, together with restricted assets of the Authority, will be sufficient to meet the debt service obligations of the Authority. At the termination of the individual leases, title to the related improvements will pass to the City. Operating activities of the Authority are reflected in both the Governmental and Business-type funds of the City.
- *The Hayward Business Improvement District* (the “District”) was established in 1984 to collect certain charges imposed on businesses within the downtown business improvement district and to expend such monies on activities, which enhance the district as a shopping and business center. Operating activities of the District are included as a special revenue fund of the City.
- *The Hayward Housing Authority* (“*Housing Authority*”) was originally established in 1946. The Housing Authority is only a conduit to issue housing mortgage revenue bonds for developers, whereby such developers are entirely responsible for meeting the related debt obligations and where the funds raised through such housing mortgage revenue bond issues are used to finance multifamily rental housing developments. A certain percentage of housing units being financed must be for low and moderate income purposes. The Housing Authority is paid a fee by the benefited developers for issuing the bonds and for monitoring the occupancy of these housing developments. This activity is recorded as a capital projects fund of the City.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City participates in a joint venture, the East Bay Dischargers Authority (“EBDA”), which is not included in the accompanying basic financial statements as it is administered by a board separate from and independent of the City. EBDA is also fiscally independent of the City (see Note 17).

Complete financial statements of the individual component units and the joint venture can be obtained from:

City of Hayward  
Finance Department, 3<sup>rd</sup> Floor  
777 B Street  
Hayward, California 94541

***Basis of Presentation*** – The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

***Government-wide Statements:*** The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements:*** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

*Major Funds* – The Governmental Accounting Standards Board requires that the City’s major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

*General Fund* is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

*Federal Grants Fund* – Accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity, or program.

*American Rescue Plan Act* – Accounts for the American Rescue Plan Act (ARPA) federal stimulus package grants received by the City for internal and external needs of the City associated with the COVID-19 crisis.

*Housing Authority Fund* – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

*General Capital Projects Fund* – Accounts for general fund or special revenue fund transfers expended for acquisition and construction of general purpose public facilities, street surfacing and improvements.

The City reported the following proprietary-enterprise funds as major funds in the accompanying financial statements:

*Sewer Fund* – Accounts for activities associated with sewage transmission and treatment.

*Water Fund* – Accounts for activities associated with distribution and transmission of potable water to users.

*Airport Fund* – Accounts for the operation, development and maintenance of the Hayward Air Terminal.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City also reports the following fund types:

*Internal Service funds*

These funds account for workers' compensation reimbursable costs, risk management expenses, self-insurance costs, other post-employment benefits; operation, maintenance and replacement of City-owned buildings, vehicles and mobile radio units and City information technology; all of which are provided to other departments on a cost-reimbursement basis.

*Fiduciary funds*

These funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts, other governmental entities, and non-profits. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The Successor Agency to the Former Redevelopment Agency of the City of Hayward Private Purpose Trust Fund is used to account for the activities of the Redevelopment Agency of the City of Hayward Successor Agency. Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

***Basis of Accounting*** – The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and leases, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be made available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Deferred Outflows/Inflows of Resources*** – In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

***Budgets and Budgetary Accounting*** – The City adopts an annual operating budget on or before June 30 for the ensuing fiscal year for all Funds, except for the Donation Special Revenue Fund and the Performance Deposits Capital Projects Fund. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various governmental fund types. The level of budgetary control within all governmental fund types is at the fund level. The City Council may amend the budget by resolution during the fiscal year. The City Manager may transfer appropriations from one program, activity, or object to another within the same fund without the approval of the City Council. All appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

For the fiscal year ended June 30, 2022, the General Fund's expenditures exceeded the budgeted appropriations by \$1,890,999, due largely to excess overtime costs related to the Fire department employees assisting with the wildfires and COVID 19- related expenditures. Also, the Narcotics Asset Seizure Special Revenue Fund's expenditures exceeded the budgeted appropriations by \$371,540 and the Rental Housing Program Special Revenue Fund's expenditures exceeded the budgeted appropriations by \$17,252 due to higher personnel costs than anticipated.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All governmental fund type annual operating budgets are presented on a basis consistent with generally accepted accounting principles (“GAAP”) except as follows:

- The City has several unrestricted subfunds it accounts for separately in its general ledger that are combined and included in General Fund amounts reported in the accompanying financial statements. However, for budgetary presentation purposes, the City only reports its main operating fund. Other subfunds not included in the budgetary presentation are reported as perspective differences.
- The sole Special Revenue fund the City does not budget for is the Donation Special Revenue Fund. The City is unable to forecast the amount of donations received in a given year, and the amount of donations it will spend in the fiscal year.

*Parts and Supplies* of the governmental funds consist of expendable supplies held for consumption and are valued at cost (first-in, first-out). The cost is recorded as expenditure in the governmental funds at the time individual items are consumed. Reported supplies are offset by nonspendable or restricted fund balances indicating that they do not constitute “available spendable resources” even though they are a component of net current assets. Supplies of enterprise funds are valued at the lower of cost (first-in, first-out) or market. Supplies of the enterprise funds consist principally of materials and supplies for utility operations and are expensed or capitalized as such supplies are consumed.

*Land held for Resale* of \$6,838,652 at June 30, 2022 was stated at the lowest of historical cost, net realizable value, or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the former Redevelopment Agency of the City of Hayward.

*Property taxes* – Alameda County assesses properties and bills for and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables, net of estimated uncollectibles, in the fiscal year of levy.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences** – The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund. Compensated Absences are presented below as of June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$10,073,208	\$1,649,223	\$11,722,431
Additions	7,774,798	1,102,944	8,877,742
Payments	(8,166,401)	(1,221,072)	(9,387,473)
Ending Balance	<u>\$9,681,605</u>	<u>\$1,531,095</u>	<u>\$11,212,700</u>
Current Portion	<u>\$7,848,927</u>	<u>\$1,133,611</u>	<u>\$8,982,538</u>

**Special Assessment Debt** – The City is considered to be “obligated in some manner,” as defined by Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for certain special assessment district debt. The City is obligated for the special assessment debt if the City is required to purchase properties on which owners have failed to pay installments of assessments as they fall due or is obligated to honor deficiencies to the extent that lien foreclosures proceeds are insufficient. Those special assessment debt would be included in the government-wide financial statements (see Note 7), and special assessment transactions would be included in the debt service funds to reflect the individual special assessment funds’ activities. There are other special assessment districts for which the City has no commitment to repay the debt (see Note 9). Activities for these districts are reported in Custodial Funds.

**Debt Defeasance And Refundings** – In an advance refunding, new debt (termed refunding debt) is issued to provide the cash needed to refund old debt (termed refunded debt). Proceeds from the refunding debt are used to purchase U.S. government securities which are placed in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded debt. As a result, the refunded debt is considered defeased and is removed from the City’s financial statements. The City is amortizing the loss on debt defeasance over the life of refunding debt.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fair Value Measurements*** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***Estimates and Assumptions*** – The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Policies*** – The City invests in individual investments and investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

***Leases*** – A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

***Lessor*** – The City is a lessor for a noncancellable leases of land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements for the leases, with the exception of short-term and regulated leases.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***New Governmental Accounting Standards Board Statement Pronouncements –***

**GASB 87 – Leases** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement were implemented during fiscal year 2022. As part of the implementation of this Statement, the City has accounted for certain lessor transactions, which required the restatement of the business-type lease-related balances as discussed in Note 4.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City’s dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agent so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the City’s case, fair value equals market value since all of the City’s investments are readily marketable.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City’s cash on deposit or first trust deed mortgage notes with a value of 150% of the City’s cash on deposit as collateral for these deposits. Under California Law, this collateral is held in an investment pool by an independent financial institution in the City’s name and places the City ahead of general creditors of the institution pledging the collateral. As of June 30, 2022, the City held no uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

The City maintains a cash management pool that is available for use by all funds. Each fund type’s portion of the pool is shown on the combined balance sheet as “Cash, cash equivalents, and investments” or “Due to other funds” (for cash overdrafts), as appropriate.

**Classification** – As of June 30, 2022, cash and investments were classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Fiduciary agreements.

***Statement of Net Position***

Cash, cash equivalents, and investments	\$481,576,443
Cash, cash equivalents, and investments with fiscal agents	7,690,834

***Private Purpose Trust Fund***

Cash and investments	2,670,191
Cash and investments with fiscal agents	26

***Custodial Funds***

Cash and investments	4,856,861
Cash and investments with fiscal agents	353,913

Total Cash and Investments	\$497,148,268
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**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Cash and investments as of June 30, 2022 consisted of the following:

Cash in bank	\$171,617,934
Cash on hand (Petty Cash)	3,175
Investments	325,527,159
Total Cash and Investments	\$497,148,268

Cash and investments are used in preparing Proprietary Fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

***Investments Authorized by the California Government Code and the City's Investment Policy*** – The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality *	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Notes/Bills	5 years	None	100%	100%
U.S. Agency Securities (fully backed)	5 years	None	100%	40%
U.S. Agency Securities (mortgage-backed)	5 years	None	20%	20%
Banker's Acceptance	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1	40%	5%
Negotiable Certificates of Deposit	5 years	A	30%	5%
Repurchase Agreements	1 year	None	20%	20%
Medium-Term Notes	5 years	A	30%	5%
Money Market Funds	N/A	AAA <sub>m</sub>	20%	10%
Alameda County Investment Pool	None	None	10%	10%
Shares of Beneficial Interest Issued by a JPA	None	AAA <sub>m</sub>	100%	N/A
California Local Agency Investment Fund	None	None	\$75M per account	N/A
Collateralized Certificates of Deposit	5 years	None	25%	20%
Municipal Bonds	5 years	A	20%	5%
Supranationals	5 years	AA	30%	30%
Asset-Backed Securities	5 years	AA	20%	5%

\* Minimum credit quality at time of purchase.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Investments Authorized by Debt Agreements* – The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Notes/Bills	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (mortgage-backed)	No Limit	None to AAA
Money Market Mutual Funds	No Limit	AAm to AAAm-G
Collateralized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No Limit	No Limit
Investment Agreements	No Limit	None to two Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
State General Obligations	No Limit	A/A2 to Two Highest Categories
Municipal Obligations	No Limit	AAA to Two Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-funded Municipal Bonds	No Limit	AAA
California Local Agency Investment Fund	No Limit	No Limit

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Fair Value Hierarchy** – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

Investment Type	Level 1	Level 2	Total
<b>Investments by Fair Value:</b>			
U.S. Treasury Notes	\$106,855,684		\$106,855,684
U.S. Agency Securities		\$16,202,112	16,202,112
Medium-Term Notes		36,313,073	36,313,073
Municipal Bonds		7,902,914	7,902,914
Supranationals		2,524,708	2,524,708
Asset-Backed Securities		6,076,378	6,076,378
Total Investments at Fair Value	<u>\$106,855,684</u>	<u>\$69,019,185</u>	175,874,869
<b>Investments Measured at Amortized Cost:</b>			
Money Market Mutual Funds			8,044,748
California Local Agency Investment Fund			140,028,260
Certificates of Deposit			<u>1,579,282</u>
Total Investments			<u>\$325,527,159</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. U.S. Agency Securities, Medium-Term Notes, Municipal Bonds, Supranationals and Asset-Backed Securities, classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

**Interest Rate Risk** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 Months to 24 Months	25 Months to 60 Months	Total
U.S. Treasury Notes		\$27,092,353	\$79,763,331	\$106,855,684
U.S. Agency Securities	\$3,279,577	12,922,535		16,202,112
Money Market Mutual Funds	8,044,748			8,044,748
California Local Agency Investment Fund	140,028,260			140,028,260
Medium-Term Notes	300,246	2,656,151	33,356,676	36,313,073
Municipal Bonds	1,532,456	5,007,672	1,362,786	7,902,914
Supranationals		1,324,078	1,200,630	2,524,708
Certificates of Deposit	1,579,282			1,579,282
Asset-Backed Securities		1,370,715	4,705,663	6,076,378
Total Investments	<u>\$154,764,569</u>	<u>\$50,373,504</u>	<u>\$120,389,086</u>	<u>325,527,159</u>
Cash in Banks				171,617,934
Cash on Hand (Petty Cash)				<u>3,175</u>
Total Cash				<u>171,621,109</u>
Total Cash and Investments				<u><u>\$497,148,268</u></u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022, these investments had an average maturity of 311 days.

Money market funds are available for withdrawal on demand and at June 30, 2022, had an average maturity of 1 day.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Credit Risk** – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of June 30, 2022 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAAm/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Notes	\$106,855,684					\$106,855,684
U.S. Agency Securities	16,202,112					16,202,112
Money Market Mutual Funds	8,044,748					8,044,748
California Local Agency Investment Fund					\$140,028,260	140,028,260
Medium-Term Notes	440,125	\$6,362,993	\$29,509,955			36,313,073
Municipal Bonds	934,249	4,942,592			2,026,073	7,902,914
Supranationals	2,524,708					2,524,708
Certificates of Deposit				\$1,579,282		1,579,282
Asset-Backed Securities	3,520,663				2,555,715	6,076,378
Total Investments	<u>\$138,522,289</u>	<u>\$11,305,585</u>	<u>\$29,509,955</u>	<u>\$1,579,282</u>	<u>\$144,610,048</u>	<u>\$325,527,159</u>

**Custodial Credit Risk – Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Significant investments in the securities of any individual issuers, other than U. S. Treasury securities or mutual funds would be subjected to this risk. As of June 30, 2022, no investments were subjected to custodial credit risk on the entity-wide level.

**3. LOANS RECEIVABLES**

In order to carry out low-and-moderate housing programs, the Housing Authority Capital Project Fund loaned to homebuyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing.

The City also pools certain funds received from the U.S. Department of Housing and Urban Development and the State of California Department of Housing and Community Development, and administrative fees received from owners of multifamily projects funded by mortgage revenues bonds sponsored by the City. These monies are loaned to businesses, nonprofit and for-profit housing developers and to qualified first-time homebuyers for the above purposes.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**4. LEASES RECEIVABLE**

**Lessor** - The City from time to time engages in lease arrangements allowing the right for others to use various owned land and buildings for the public benefit. The borrowing rate for the leases are implicit in the lease agreements and therefore, the City has applied the incremental borrowing rate of the City for all leases of 3%. Leases where the City acts as the lessor are recorded as a lease receivable offset with a deferred inflow of resources.

As of June 30, 2022, these leases receivable and related deferred inflows of resources consisted of the following:

Lessor	Original Lease Date	Expiration Date Including Options	Annual Revenue as of June 30, 2022	Lease Receivable Balance at June 30, 2022	Deferred Inflow of Resources at June 30, 2022
<b><i>Proprietary Funds - Airport Fund</i></b>					
Home Depot USA, Inc.	12/12/2000	12/31/2045	\$526,175	\$9,104,270	\$9,007,134
Mahabal Hospitality, LLC	12/1/2017	11/30/2067	269,393	5,243,453	5,222,479
Ramesta Hospitality, LLC	12/1/2017	11/30/2067	269,393	5,243,453	5,222,479
Velo Two, LLC	11/1/2018	10/31/2068	154,673	3,070,104	3,018,643
BDC Sueirro LP	3/1/2006	2/29/2056	154,208	2,629,816	2,603,667
Hayward Airport Plaza, LLC	11/1/2019	10/31/2029	58,951	403,072	371,120
Pacific Roller Die Company, Inc.	12/1/2020	11/30/2025	84,216	273,140	269,823
GTE Mobilnet	10/1/2006	9/30/2031	31,315	237,624	232,188
Watt Industries, Inc.	7/2/1984	10/10/2038	18,518	205,838	204,556
Paul Mazza	1/1/2005	12/31/2054	6,546	108,310	108,608
John Manzella, Inc.	2/1/1973	1/31/2023	8,884	10,470	10,341
			<u>\$1,582,272</u>	<u>\$26,529,550</u>	<u>\$26,271,038</u>

In fiscal year 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*, which required the restatement of leases receivable and related deferred inflows of resources. As a result, initial leases receivable and related deferred inflows of resources were recorded in the amount of \$27,094,852, for business-type activities as of July 1, 2021, and had no effect on net position.

**Regulated Leases** - In accordance with GASB Statement No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration regulated aviation leases between airports, air carriers and other aeronautical users. Regulated leases include airline leases, as well as contracts with Fixed Based Operators (FBOs), and Specialized Aviation Service Operators (SASO).

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**4. LEASES RECEIVABLE (Continued)**

By definition, the following lease agreements are considered to be regulated leases and therefore, the City does not recognize a receivable and corresponding deferred inflow of resources for the following leases. As of June 30, 2022, the annual lease revenue and terms of the leases were as follows:

Lessor	Original Lease Date	Expiration Date Including Options	Annual Revenue as of June 30, 2022
<i>Proprietary Funds - Airport Fund</i>			
Meridian Aviation, Inc.	1/1/2014	12/31/2063	\$133,658
Watt Industries, Inc.	10/11/1988	12/1/2045	116,706
Pape Properties, Inc	7/1/1998	12/31/2048	76,344
Avcon, Inc.	3/1/2012	2/28/2027	73,132
Career Aviation Sales, Inc.	7/1/2005	12/31/2053	56,532
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	52,956
California Military Department	7/1/2014	6/30/2025	44,490
Briggs Resources, Inc.	5/1/2018	4/30/2068	39,322
EPIC Aviation, LLC	2/2/2004	12/31/2054	38,460
Ascend Development, HWD, LLC	8/1/2001	12/31/2051	34,908
Aviation Training, Inc.	9/1/2017	8/31/2047	22,008
Hayward FBO LLC, dba APP Jet Center	3/1/2017	2/28/2047	18,502
William Field	12/14/1999	12/31/2048	17,928
Ascend Development HWD - II, LLC	2/2/2004	12/31/2054	15,636
			\$740,582

The future expected minimum rentals to be received from the existing regulated leases are as follows at June 30, 2022:

Year Ending June 30:	Minimum Lease Revenue
2023	\$861,862
2024	978,114
2025	978,114
2026	929,187
2027	904,810
2028 - 2032	4,280,273
2033 - 2037	4,280,273
2038 - 2042	4,280,273
2043 - 2047	4,100,267
2048 - 2052	2,908,466
2053 - 2057	1,716,871
2058 - 2062	1,215,923
2063 - 2067	511,998
2068 - 2072	35,053
Total	\$27,981,484

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**5. INTERFUND TRANSACTIONS**

*Transfers Between Funds* – With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT:</u>
General Fund	General Capital Projects Fund	\$22,701,560 A
	Non-Major Governmental Funds	8,971,340 B
	Water Enterprise Fund	59,942 B
	Internal Service Funds	10,863,245 B
Federal Grants Special Revenue Fund	Internal Service Funds	40,000 A
American Rescue Plan Act Special Revenue Fund	General Fund	7,250,000 B
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Internal Service Funds	6,791 D
General Capital Projects Fund	General Fund	351,500 B
Non-Major Governmental Funds	General Fund	329,050 B
	General Capital Projects Fund	750,000 A
	Internal Service Funds	100,380 D
Sewer Enterprise Fund	General Fund	823,783 C
	Water Enterprise Fund	1,229,970 B
	Non-Major Enterprise Funds	1,841,000 A
	Internal Service Funds	811,633 D
Water Enterprise Fund	General Fund	1,229,099 C
	Non-Major Enterprise Funds	600,000 B
	Internal Service Funds	758,360 D
Airport Enterprise Fund	General Fund	185,168 C
	Internal Service Funds	107,428 D
Non-Major Enterprise Funds	General Fund	125,049 C
	Non-Major Governmental Funds	15,000 A
	Sewer Enterprise Fund	794,608 A
	Internal Service Funds	117,137 D
Internal Service Funds	Non-Major Governmental Funds	7,000 A
	Internal Service Funds	516,702 B
		<u>\$60,589,642</u>

- A To fund capital projects.
- B To fund debt service, capital projects and administrative overhead.
- C To fund allocation of administrative overhead.
- D To fund General Liability Internal Service Fund for insurance.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**5. INTERFUND TRANSACTIONS (Continued)**

***Current Interfund Balances***

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after end of the fiscal year. At June 30, 2022 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$1,091,840
Sewer Enterprise Fund	Non-Major Enterprise Funds	329,813
		<u>\$1,421,653</u>

***Long-Term Interfund Advances*** – At June 30, 2022, the funds below had made advances that were not expected to be repaid within the next year.

	<u>Long-Term Interfund Receivable</u>	<u>Long-Term Interfund Payable</u>
General Fund		\$2,937,681
Water Enterprise Fund	\$2,937,681	
Total	<u>\$2,937,681</u>	<u>\$2,937,681</u>

In fiscal year 2014, the Water Enterprise Fund loaned \$3,420,000 to the General Fund for costs related to a new fire station and firehouse clinic. This loan bears 2% interest and repayments are made semiannually every December 1<sup>st</sup> and June 1<sup>st</sup>. As of June 30, 2022, the outstanding loan balance was \$2,937,681.

***Internal Balances*** – Internal balances are presented only in the Government-wide financial statements. They represent the net interfund receivable and payables remaining after the elimination of all such balances within governmental and business-type activities.

**6. CAPITAL ASSETS**

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City’s policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**6. CAPITAL ASSETS (Continued)**

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City begins depreciation on July 1<sup>st</sup> of the year following acquisition. The City has assigned the useful lives listed below to capital assets.

Buildings and improvements	10 – 50 years
Improvements other than Buildings	25 years
Machinery and equipment	7 – 50 years
Streets	25 – 40 years
Traffic Signals	20 years
Medians	25 – 40 years
Conduits	20 years
Drains	20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

*Capital Asset Additions and Retirements* – Capital assets at June 30 comprise:

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$18,950,817	\$295,668			\$19,246,485
Construction in progress	42,587,866	36,514,838		(\$16,967,529)	62,135,175
Total capital assets not being depreciated	61,538,683	36,810,506		(16,967,529)	81,381,660
Capital assets being depreciated:					
Buildings and improvements	105,118,966	675,251			105,794,217
Improvements other than buildings	58,203,688		(\$111,358)	16,960,529	75,052,859
Machinery and equipment	66,867,389	4,421,692	(1,550,535)	7,000	69,745,546
Streets	343,271,158				343,271,158
Traffic signals	7,993,603				7,993,603
Medians	3,724,705				3,724,705
Conduits	1,540,569				1,540,569
Drains	2,994,000				2,994,000
Total capital assets being depreciated	589,714,078	5,096,943	(1,661,893)	16,967,529	610,116,657
Less accumulated depreciation for:					
Buildings and improvements	33,238,816	2,133,215			35,372,031
Improvements other than buildings	11,141,236	2,865,499	(106,690)		13,900,045
Machinery and equipment	43,908,849	3,525,059	(1,410,476)		46,023,432
Streets	116,409,450	9,087,469			125,496,919
Traffic signals	6,850,340	236,218			7,086,558
Medians	2,426,902	93,116			2,520,018
Conduits	1,531,468	9,101			1,540,569
Drains	2,533,792	117,500			2,651,292
Total accumulated depreciation	218,040,853	18,067,177	(1,517,166)		234,590,864
Net depreciable assets	371,673,225	(12,970,234)	(144,727)	16,967,529	375,525,793
Governmental activity capital assets, net	\$433,211,908	\$23,840,272	(\$144,727)		\$456,907,453

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**6. CAPITAL ASSETS (Continued)**

	Balance June 30, 2021	Additions	Transfers	Balance June 30, 2022
<i><b>Business-type activities:</b></i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	19,699,013	\$5,574,964	(\$398,670)	24,875,307
Total capital assets not being depreciated	24,456,505	5,574,964	(398,670)	29,632,799
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	76,826,980	260,440		77,087,420
Sewer pipelines and infrastructure	126,368,122		398,670	126,766,792
Water pipelines and infrastructure	71,359,378			71,359,378
Airport hangars, tarmacs and other infrastructure assets	28,588,734			28,588,734
Total capital assets being depreciated	339,902,506	260,440	398,670	340,561,616
Less accumulated depreciation for:				
Buildings and improvements	22,456,402	642,732		23,099,134
Machinery and equipment	22,143,941	2,462,931		24,606,872
Sewer pipelines and infrastructure	68,579,176	3,860,713		72,439,889
Water pipelines and infrastructure	42,556,662	1,844,013		44,400,675
Airport hangars, tarmacs and other infrastructure assets	20,641,760	701,467		21,343,227
Total accumulated depreciation	176,377,941	9,511,856		185,889,797
Net depreciable assets	163,524,565	(9,251,416)	398,670	154,671,819
Business-type activity capital assets, net	\$187,981,070	(\$3,676,452)		\$184,304,618

Governmental capital assets construction in progress was composed of the following at June 30, 2022:

	Project Budget	Expended to June 30, 2022	Committed
Buildings	\$5,100,000	\$2,524,209	\$2,575,791
Improvements other than buildings	90,995,068	56,352,923	34,642,145
Machinery and equipment	202,439	195,557	6,882
Streets	43,738,000	3,010,205	40,727,795
Traffic Signals	965,000	52,281	912,719
Total	\$141,000,507	\$62,135,175	\$78,865,332

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**6. CAPITAL ASSETS (Continued)**

A summary of enterprise fund construction in progress at June 30, 2022 follows:

	Project Budget	Expended to June 30, 2022	Committed
Sewer Enterprise Fund	\$24,924,425	\$9,809,312	\$15,115,113
Water Enterprise Fund	28,442,277	14,105,784	14,336,493
Airport Enterprise Fund	7,464,000	960,211	6,503,789
Total	<u>\$60,830,702</u>	<u>\$24,875,307</u>	<u>\$35,955,395</u>

Sewer facilities constructed for the sole use of the City by EBDA, including construction in progress, are included in capital assets at their full construction cost.

**Construction Commitments** – The government has active construction projects as of June 30, 2022. The projects include construction in areas for newly developed housing and the library. At year end, the government’s commitments for these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
South Hayward Youth and Family Center	\$2,524,209	\$2,575,791
Fire Station 6 and Training Center Project	45,128,821	7,771,179
Mission Boulevard Improvement Phase 2	1,018,343	1,794,657

**Capital Asset Contributions** – Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GAAP requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

**Depreciation Allocation** – Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

**Governmental Activities**

General Government	\$1,360,458
Public Safety	10,339,445
Public Works and Transportation	1,408,794
Library and Community Services	770,837
Economic Development	132,325
Planning and Building	627,987
Maintenance Services	401,035
Internal Service Funds	3,026,296
	<u>\$18,067,177</u>

**Business-Type Activities**

Sewer Fund	\$6,183,762
Water Fund	2,383,475
Stormwater Fund	165
Airport Fund	944,454
	<u>\$9,511,856</u>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT**

The City's long-term debt issues and transactions are summarized below:

Type of Obligation	Authorized and Issued	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Current Portion
<b>Governmental Activity Debt:</b>						
<b>Certificates of Participation</b>						
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$58,815,000		\$3,205,000	\$55,610,000	\$3,365,000
Add: Original issue premium	5,689,046	4,191,932		299,423	3,892,509	
Total Certificates of Participation		<u>63,006,932</u>		<u>3,504,423</u>	<u>59,502,509</u>	<u>3,365,000</u>
<b>Direct Borrowings:</b>						
<b>Private Placement Certificates of Participation</b>						
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	10,999,867		1,715,567	9,284,300	1,759,658
Add: Original issue premium	876,695	478,195		79,700	398,495	
<b>Loan Payable</b>						
Energy Efficiency Loan (a), 1%, due 12/22/2023	2,488,880	681,219		270,129	411,090	272,838
<b>Private Placement Loan</b>						
2014 Fire Station #7 and Wellness Center Private Placement Loan (a), 2.84%, due 8/1/2029	5,500,000	3,398,600		358,864	3,039,736	369,126
<b>Capital Lease - Equipment</b>						
SCBA Equipment Lease (a), 5%, due 2/1/2023	1,063,021		\$1,063,021	707,992	355,029	355,029
Total Direct Borrowings		<u>15,557,881</u>	<u>1,063,021</u>	<u>3,132,252</u>	<u>13,488,650</u>	<u>2,756,651</u>
Subtotal		<u>78,564,813</u>	<u>1,063,021</u>	<u>6,636,675</u>	<u>72,991,159</u>	<u>6,121,651</u>
<b>Direct Borrowings:</b>						
<b>Internal Service Fund Long-Term Debt (b)</b>						
<b>Capital Leases - Fleet</b>						
Fire Engines 3.05%, due 1/17/2024	824,000	273,872		88,542	185,330	91,263
Fire Truck 2.92%, due 6/15/2025	1,272,000	553,403		132,394	421,009	136,288
Total Capital Lease Obligations (Direct Borrowings)		<u>827,275</u>		<u>220,936</u>	<u>606,339</u>	<u>227,551</u>
Subtotal		<u>827,275</u>		<u>220,936</u>	<u>606,339</u>	<u>227,551</u>
Total Governmental Activity Debt		<u>\$79,392,088</u>	<u>\$1,063,021</u>	<u>\$6,857,611</u>	<u>\$73,597,498</u>	<u>\$6,349,202</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT (Continued)**

Type of Obligation	Authorized and Issued	Balance at June 30, 2021	Retirements	Balance at June 30, 2022	Current Portion
<b>Business-type Activity Debt</b>					
<b>Direct Borrowings:</b>					
<b>Private Placement Revenue Bonds</b>					
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/2025	\$7,245,000	\$2,630,000	\$630,000	\$2,000,000	\$650,000
<b>Loan Payable</b>					
Energy Efficiency Loan (c), 3%, due 6/22/2025	2,450,000	815,216	194,786	620,430	200,687
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955	2,047,411	111,073	1,936,338	112,186
<b>State Water Resource Control Board Loan 2006</b>					
1%, due 9/30/2028 (d)	54,550,018	21,822,114	2,727,501	19,094,613	2,727,501
<b>State Water Resource Control Board Loan 2019</b>					
1%, due 3/31/2049 (d)	21,227,086	15,331,331	459,214	14,872,117	462,886
Total Business-type Activity Debt (Direct Borrowings)		<u>\$42,646,072</u>	<u>\$4,122,574</u>	<u>\$38,523,498</u>	<u>\$4,153,260</u>

Debt service payments are generally made from the following sources:

- (a) Revenues recorded in the General Fund.
- (b) Operating revenues recorded in the Internal Service Funds.
- (c) Operating Revenues from the Water Enterprise Fund and Airport Enterprise Fund.
- (d) Operating revenues recorded in the Sewer Enterprise Fund.

Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the City); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2022, the City had total debt outstanding of \$112 million, which complies with, and is significantly under, the current policy limits.

***Certificates of Participation (COPs)***

***2015 Certificates of Participation*** – On October 1, 2015, the City issued \$67,535,000 in Certificates of Participation (2015 COPs) to acquire and construct a number of capital improvements, including a new library and community learning center, improvements to existing fire stations, and street rehabilitation and repairs. The 2015 COPs bear interest at 3% to 5% and are due serially each November 1. Interest payments are due semi-annually on May 1 and November 1, through maturity in 2034.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT (Continued)**

***2016 Refunding Certificates of Participation (Private Placement)*** – On June 1, 2016, the Hayward Public Financing Authority issued Certificates of Participation (2016 COPs) in the amount of \$19,813,775. The proceeds of the lease obligation were used to refund the 2007 Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position.

The lease obligation is payable each November from 2016 to 2026, in amounts ranging from \$850,000 to \$2,021,009 and bear interest at rates ranging from 2.6% to 2.76%. Interest is payable semiannually on May 1 and November 1.

The bond covenants of the Certificates of Participation contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

***Energy Efficiency Loan***

In fiscal year 2014, the City issued a \$2,488,880 loan for the Energy Conservation Assistance Program, funded by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of streetlight retrofitting. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2023.

***2014 Fire Station #7 and Wellness Center Private Placement Loan***

The City entered into a loan agreement with Umpqua Bank in the amount of \$5,500,000 on August 1, 2014. Loan proceeds will be used to fund the design and construction of a Firehouse Wellness Clinic at Fire Station # 7. This loan bears interest of 2.84%. Principal and interest payments are payable semiannually on February 1 and August 1, commencing February 1, 2015 through maturity on August 1, 2029.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

***Capital Lease Obligations***

The City has entered into various capital lease agreements to acquire property, miscellaneous computer mainframe equipment, and various City vehicles. All of the lease agreements require annual payments.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT (Continued)**

***2013 Water Revenue Refunding Private Placement Loan***

The City issued Water Revenue Refunding Bonds of \$7,245,000 on August 13, 2013, to defease the City's outstanding Public Financing Authority 1996 Revenue Bonds, and to refund 2001 Water System Improvement Project Certificates of Participation and 2004 Water System Improvement Project Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The 2013 Water Revenue Refunding Bonds are secured by a pledge of net revenues of the water system. The Bonds bear interest at a rate per annum at 2.76%. Principal payments are payable May 1. Interest payments are payable semiannually on May 1 and November 1, commencing May 1, 2014 through maturity on May 1, 2025.

The pledge of future Water Fund Revenues ends upon repayment of the \$2.11 million in remaining debt service on the bonds which is scheduled to occur in fiscal year 2025. For fiscal year 2022, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$60.1 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$46.4 million. Net Revenues available for debt service amounted to \$13.76 million, which represented coverage of 19.6 times over the \$702,588 in debt service.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

***Energy Efficiency Loan***

In fiscal year 2011, the City was issued a \$2,450,000 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of 1 MW Tracking Photovoltaic System on the City's Water Pollution Control Facility. The loan bears interest at 3% and payments are to be made bi-annually on June 22 and December 22 of each year until 2025.

***Energy Efficiency Loan***

In fiscal year 2020, the City was issued a \$2,150,955 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of the Ground Mounted Photovoltaic System installed on City owned property. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2038.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT (Continued)**

***State Water Resources Control Board Loans***

In June 2006, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Wastewater System Improvement Project. Under the terms of the contract, the City agreed to repay \$54,550,018 to the State in exchange for receiving \$45,458,167 in proceeds used to fund the Project. The difference between the repayment obligation and proceeds amounts to \$9,091,852 upon issue and represents in-substance interest on the outstanding balance. As of June 30, 2022, the City's gross repayment obligation totaled \$19,094,613. The repayments of the loan are due annually on September 30 of each year commencing 2009 until 2029.

In October 2018, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Recycled Water Project. Under the terms of the contract, the City agreed to repay \$21,227,086 plus interest to the State in exchange for receiving \$27,058,436 in proceeds used to fund the project. The difference between the repayment obligation and proceeds represents a grant from the State on the outstanding balance. As of June 30, 2022, the City has drawn down \$15,669,071. As of June 30, 2022, the City's estimated gross repayment obligation totaled \$14,872,117. The loan bears interest at 1% and payments are due annually on January 31 of each year commencing in 2021 until 2050.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**7. LONG-TERM DEBT (Continued)**

***Debt Service Requirements***

At June 30, 2022, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

<b>Year Ending June 30:</b>	<b>Governmental Activities - 2015 Certificates of Participation</b>		<b>Governmental Activities - Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	\$3,365,000	\$2,050,313	\$2,984,202	\$328,785
2024	3,530,000	1,877,938	2,558,279	248,167
2025	3,710,000	1,715,488	2,392,615	186,834
2026	3,855,000	1,564,188	2,306,723	126,760
2027	4,010,000	1,426,938	2,369,216	65,079
2028 - 2032	21,950,000	5,191,269	1,085,459	46,675
2033 - 2035	15,190,000	964,619		
Totals	55,610,000	<u>\$14,790,753</u>	13,696,494	<u>\$1,002,300</u>
Plus unamortized premium	3,892,509		398,495	
Total Long-term debt principal, net	<u>\$59,502,509</u>		<u>\$14,094,989</u>	

<b>Year Ending June 30:</b>	<b>Business-Type Activities Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>
2023	\$4,153,260	\$240,129
2024	4,185,005	210,443
2025	4,207,153	179,818
2026	3,320,007	150,372
2027	3,325,935	144,444
2028 - 2032	8,540,235	631,264
2033 - 2037	3,240,523	473,864
2038 - 2042	2,871,558	317,751
2043 - 2047	2,881,094	176,941
2048 - 2050	1,798,728	36,093
Totals	<u>\$38,523,498</u>	<u>\$2,561,119</u>

***Defeased Bonds***

As of June 30, 2022, outstanding balances for defeased debt were \$815,000 for the 2001 Water System Improvement Project Certificates of Participation and \$9,825,000 for the 2007 Refunding Certificates of Participation.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**8. LEASING ARRANGEMENTS**

Certificates of Participation, Lease Revenue Bonds and Capital Leases are issued for the purpose of financing the construction or acquisition of projects defined in each leasing arrangement. Projects are leased to the City for lease payments which, together with unspent proceeds of the leasing arrangement, will be sufficient to meet the debt service obligations of the leasing arrangement. At the termination of the leasing arrangement title to the project will pass to the City.

Leasing arrangements are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. The City's leasing arrangements are included in long term obligations discussed in the preceding note.

**9. SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT**

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activities. A summary of such debt follows:

In June 1999 the Local Improvement District No. 17, Twin Bridges Community Park, issued Limited Obligation Improvement Bonds in the original principal amount of \$396,014 to finance improvements within the District. Outstanding debt at June 30, 2022 was \$80,000.

In October 2013, the Community Facilities District No. 1, Eden Shores issued Special Tax Refunding Bonds, Series 2013, in the original principal amount of \$7,076,294 refunding the 2002 Special Tax Bonds. Outstanding debt for the 2013 Bonds at June 30, 2022 was \$4,588,014.

**10. NET POSITION AND FUND BALANCES**

*Net Position* – Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position are divided into three captions. These captions apply only to Net Position, and are described below:

*Net Investments in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflows.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include the following:

Public Safety Activities – These Net Positions are restricted for activities pertaining to the rehabilitation or reconstruction of pavement, repair of or installation of new sidewalks, maintenance of or improvements to the City's streetlights and traffic signals, as well as other improvements to the City's infrastructure. Such projects primarily draw their funding from Special Revenue Programs operated by the City, including State Gasoline Tax, Alameda County Measure B, and various local, state, and federal grants.

Debt Service Activities – These Net Positions are restricted for the use of debt service related activities.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**10. NET POSITION AND FUND BALANCES (Continued)**

Public Works and Transportations Activities – These Net Positions are restricted for grants received by the City for the specific activities involving emergency response and responding to other emergency and other public safety calls for service from the community.

Planning and Buildings Activities – These Net Positions are restricted managing the development of Hayward in order to assure the economic and environmental health of the community, and to protect the health and safety of the community through building inspection, enforcement of codes and standards, and by providing new housing opportunities for residents of the City.

Economic Development Activities – These Net Positions are restricted by state law to housing redevelopment activities of the City of Hayward.

*Unrestricted* describes the portion of Net Position which is not restricted as to use.

**Fund balance** – Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities.

The City’s fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by the resolutions of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. In accordance to the City’s fund balance policy, intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council. This category includes nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**10. NET POSITION AND FUND BALANCES (Continued)**

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

***Fund balance flow assumptions*** – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Minimum Fund Balance Policies*** – The City's Budget and Fiscal Policy requires the City to strive to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one time expenditures. These resources also provide a first defense against deficit spending and help maintain liquidity when budgeted drawdowns are inevitable. The reserve may be used at the City Council's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one time opportunities. These resources are intended to provide flexibility to respond to unexpected opportunities that may help the City of Hayward achieve its goals. The use of these funds may also be tied to an adverse change in economic indicators to ensure that the funds are not depleted before an emergency arises.

It is the policy of the City of Hayward to establish and maintain adequate financial reserves in order to avoid the negative effects of economic cycles upon essential services to the public and to assure that annual fluctuations in revenue receipts do not impede the City's ability to meet its expenditure obligations.

During periods of economic sufficiency, these reserves shall be used as a source of supplemental revenue through prudent investments and earnings under policies of the City Council and for meeting short term cash flow deficiencies. During periods of economic downturns, when revenues fail to meet the normal operating requirements of essential public services, or when need for reserves temporarily exceeds receipts, these designations may, upon the recommendation of the City Manager and the authorization of the City Council, be used in accordance with the standards set forth herein.

Under GASB 54, such reserves are includable in Unassigned fund balance when the usage is predicated on general circumstances which are expected to routinely occur.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**10. NET POSITION AND FUND BALANCES (Continued)**

The General Fund Balances are detailed below and described along with the minimum balance target and purpose:

	<b>Balance at June 30, 2022</b>
<b>Nonspendables:</b>	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$3,636,442
Deposits, parts, supplies and other	4,714
<b>Total Nonspendable Fund Balances</b>	<b>3,641,156</b>
 <b>Assigned:</b>	
Measure C District sales tax	20,025,339
<b>Total Assigned Fund Balances</b>	<b>20,025,339</b>
 <b>Unassigned:</b>	
Designations:	
Liquidity	34,224,937
<b>Total Unassigned Fund Balances</b>	<b>34,224,937</b>
<b>Total Fund Balances</b>	<b>\$57,891,432</b>

- **Liquidity:** Minimum balance equal to greater of \$2.5 million or 5% of the annual general fund operating appropriations.

This reserve is to address short-term borrowing needs the City may encounter. Certain major revenues of the general fund are passed through other government agencies, state, and county. The City cannot control the timing of when they make payments to the City.

- In October 2014, the Citizens of Hayward approved the Measure C District Sales Tax, a general tax. Fund balances related to this Measure have been assigned.

**Deficit Fund Balances** – As of June 30, 2022, the following funds had a deficit:

The Recycling Enterprise Fund reported a deficit of \$627,961 at June 30, 2022 due to expenditures related to the recycling program. This deficit is expected to be eliminated with future revenues.

The General Liability Internal Service Fund reported a deficit of \$4,281,743 at June 30, 2022 due to increasing cost of insurance premiums and legal fees, in addition to the internal service rates adjustment was not enough to cover the previous years' deficits at the end of fiscal year 2022. This deficit is expected to be eliminated with future internal service fund charges and a one-time transfer in fiscal year 2023.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**11. ACCRUED RECLAMATION COSTS**

To comply with regulatory requirements imposed by the California Regional Water Quality Control Board and the Alameda County Department of Environmental Health, the City expects to incur reclamation costs associated with an abandoned 60 acre landfill site. Such costs represent placing an 18-inch vegetative cover over the landfill site as well as ongoing monitoring costs. Annually the City expects to incur \$125,000 in expenses related to reclamation costs for the site. These expenses will be funded by operating revenue of the Sewer Enterprise Fund. Reclamation payments totaled \$118,699 for the year ended June 30, 2022. Reclamation costs are accrued in the Sewer Enterprise Fund. Actual costs may be higher due to inflation, changes in technology, or changes in State or Federal regulations.

**12. DEFERRED COMPENSATION PLAN**

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan (Plan) created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death, or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements. The Plan's trust administrator is Great-West Retirement Services.

As established by the plan, all eligible employees of the City in the Hayward Police Officers' Association (HPOA) and International Association of Firefighters (Local 1909) become participants in the Plan once they have entered into the participation agreement.

The City contributes \$2,400 annually per eligible participant to the Plan. Contributions made by an employee and the employer vest immediately. No forfeitures were noted during the current period. During the year, the City contributed \$312,509 to the Plan.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS**

***General Information about the Pension Plans***

***Plan Descriptions*** – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided*** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS (Continued)**

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.50%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates (A)	10.260%	10.260%
	<b>Safety - Fire</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	10.50%
Required employer contribution rates (A)	18.670%	18.670%
	<b>Safety - Police</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.00%
Required employer contribution rates (A)	22.090%	22.090%

(A) Rates represents blended combination rates

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS (Continued)**

**Employees Covered** – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2020 and measurement date of June 30, 2021:

	Miscellaneous	Safety-Fire	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	944	193	354
Inactive employees entitled to but not yet receiving benefits	721	23	69
Active employees	536	122	173
Total	2,201	338	596

Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Net Pension Liability***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**13. PENSION PLANS (Continued)**

*Actuarial Assumptions* – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 and June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS Experience Study and review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

*Discount Rate* – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+ (c)
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions.



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**13. PENSION PLANS (Continued)**

This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

***Changes in the Net Pension Liability***

The changes in the Net Pension Liability for each Plan follow:

***Miscellaneous Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2020</b>	\$497,152,835	\$324,905,201	\$172,247,634
<b>Changes in the year:</b>			
Service cost	8,338,579		8,338,579
Interest on the total pension liability	34,724,511		34,724,511
Differences between actual and expected experience	(2,023,562)		(2,023,562)
Contribution - employer		14,566,265	(14,566,265)
Contribution - employee		5,540,369	(5,540,369)
Net investment income		73,248,533	(73,248,533)
Administrative expenses		(324,560)	324,560
Benefit payments, including refunds of employee contributions	(27,282,114)	(27,282,114)	
<b>Net changes</b>	<b>13,757,414</b>	<b>65,748,493</b>	<b>(51,991,079)</b>
<b>Balance at June 30, 2021</b>	<b>\$510,910,249</b>	<b>\$390,653,694</b>	<b>\$120,256,555</b>

***Safety - Fire Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2020</b>	\$324,054,975	\$197,714,136	\$126,340,839
<b>Changes in the year:</b>			
Service cost	5,407,873		5,407,873
Interest on the total pension liability	22,482,175		22,482,175
Differences between actual and expected experience	(3,440,760)		(3,440,760)
Contribution - employer		10,135,787	(10,135,787)
Contribution - employee		2,828,307	(2,828,307)
Net investment income		44,584,546	(44,584,546)
Administrative expenses		(197,504)	197,504
Benefit payments, including refunds of employee contributions	(17,764,280)	(17,764,280)	
<b>Net changes</b>	<b>6,685,008</b>	<b>39,586,856</b>	<b>(32,901,848)</b>
<b>Balance at June 30, 2021</b>	<b>\$330,739,983</b>	<b>\$237,300,992</b>	<b>\$93,438,991</b>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS (Continued)**

*Safety - Police Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2020</b>	\$430,784,553	\$262,304,114	\$168,480,439
<b>Changes in the year:</b>			
Service cost	7,685,977		7,685,977
Interest on the total pension liability	30,543,429		30,543,429
Differences between actual and expected experience	4,592,527		4,592,527
Contribution - employer		14,979,477	(14,979,477)
Contribution - employee		3,687,755	(3,687,755)
Net investment income		59,475,902	(59,475,902)
Administrative expenses		(262,026)	262,026
Benefit payments, including refunds of employee contributions	(24,078,504)	(24,078,504)	
<b>Net changes</b>	<u>18,743,429</u>	<u>53,802,604</u>	<u>(35,059,175)</u>
<b>Balance at June 30, 2021</b>	<u>\$449,527,982</u>	<u>\$316,106,718</u>	<u>\$133,421,264</u>
<b>Combined Total</b>	<u>\$1,291,178,214</u>	<u>\$944,061,404</u>	<u>\$347,116,810</u>

The long-term portion of the governmental activities Net Pension Liability is liquidated primarily by the General Fund.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety-Fire	Safety-Police
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$183,766,337	\$136,483,268	\$193,898,946
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$120,256,555	\$93,438,991	\$133,421,264
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$67,536,446	\$57,911,117	\$83,884,232

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**13. PENSION PLANS (Continued)**

***Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

For the year ended June 30, 2022, the City recognized pension expense of \$21,305,449. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

***Miscellaneous Plan:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$16,119,682	
Differences between actual and expected experience		(\$1,356,269)
Net differences between projected and actual earnings on plan investments		(36,538,113)
<b>Total</b>	<b>\$16,119,682</b>	<b>(\$37,894,382)</b>

***Safety Plan - Fire:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$11,490,694	
Differences between actual and expected experience	2,684,901	(\$2,766,101)
Changes in assumptions		(257,405)
Net differences between projected and actual earnings on plan investments		(22,188,489)
<b>Total</b>	<b>\$14,175,595</b>	<b>(\$25,211,995)</b>

***Safety Plan - Police:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$16,160,318	
Differences between actual and expected experience	5,022,226	
Net differences between projected and actual earnings on plan investments		(\$29,738,827)
<b>Total</b>	<b>\$21,182,544</b>	<b>(\$29,738,827)</b>
<b>Combined total</b>	<b>\$51,477,821</b>	<b>(\$92,845,204)</b>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**13. PENSION PLANS (Continued)**

\$43,770,694 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

*Miscellaneous Plan:*

Year Ended June 30	Annual Amortization
2023	(\$10,169,106)
2024	(8,913,149)
2025	(8,749,440)
2026	(10,062,687)
Total	(\$37,894,382)

*Safety Plan - Fire:*

Year Ended June 30	Annual Amortization
2023	(\$5,413,739)
2024	(5,139,541)
2025	(5,348,858)
2026	(6,557,491)
2027	(67,465)
Total	(\$22,527,094)

*Safety Plan - Police:*

Year Ended June 30	Annual Amortization
2023	(\$4,843,303)
2024	(5,218,019)
2025	(6,469,010)
2026	(8,186,269)
Total	(\$24,716,601)

*All Plans (Misc., Fire and Police)*

Year Ended June 30	Amortization Amount
2023	(\$20,426,148)
2024	(19,270,709)
2025	(20,567,308)
2026	(24,806,447)
2027	(67,465)
Total	(\$85,138,077)

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**14. PUBLIC AGENCY RETIREMENT SYSTEM**

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective January 1, 1992, the City contracted with the Public Agency Retirement System (PARS), a defined contribution plan. This Plan covers part-time, seasonal, and temporary employees and all employees not covered by another retirement system. All eligible employees covered by the Plan are fully vested. The benefits a participant will receive depend on contributions. Employer liabilities are limited to the amount of current contributions.

As approved by Council, PARS participants contribute 3.75% and the City contributes 3.75% of salary each pay period. Contributions made by an employee and the employer vest immediately. No forfeitures were noted during the current period.

For the fiscal year ending June 30, 2022, total contributions of \$17,425 were made based on a total amount of covered compensation of \$464,213.

**15. OTHER POSTEMPLOYMENT BENEFITS**

**Provisions and Benefits**

**OPEB Healthcare** The City participates in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans.

By City Council resolution the City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). Required retiree medical plan contributions are also governed by PEMCHA for member agencies.

The City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEMCHA. Benefits continue for surviving spouses in amounts as required by PEMCHA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$143 to \$149 per month in lieu of contributions to the CalPERS plan.

**Employees Covered**

Membership in the plan consisted of the following at June 30, 2021 (latest actuarial valuation date):

Active employees	806
Inactive employees or beneficiaries currently receiving benefit payments	712
Inactive employees entitled to but not yet receiving benefit payments	179
Total	<u>1,697</u>

**CITY OF HAYWARD, CALIFORNIA**  
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**15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Net OPEB Liability**

**Actuarial Methods and Assumptions** – The City’s net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.10%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.10%
Mortality Rate	The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	3.90% to 5.80%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	1-10 Year Expected Real Rate of Return
Global Equities	49.0%	4.40%
Fixed Income	23.0%	-1.00%
Global Real Estate (REITs)	20.0%	3.00%
Treasury Inflation Protected Securities	5.0%	-1.80%
Commodities	3.0%	0.80%
Total	<u>100.0%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.1%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF HAYWARD, CALIFORNIA**  
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**15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Changes in Net OPEB Liability-** The changes in the Net OPEB Liability follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2020 (Measurement Date)	\$78,958,052	\$11,498,862	\$67,459,190
Changes Recognized for the Measurement Period:			
Service Cost	1,773,630		1,773,630
Interest on the total OPEB liability	5,405,045		5,405,045
Differences between expected and actual experience		2,475,617	(2,475,617)
Changes of assumptions	8,589,843		8,589,843
Plan Experience	(2,914,546)		(2,914,546)
Contributions from the employer		6,795,404	(6,795,404)
Contributions from the employee		368,000	(368,000)
Net investment income		874,958	(874,958)
Administrative expenses		(4,628)	4,628
Benefit payments	(4,795,404)	(4,795,404)	
Net changes	8,058,568	5,713,947	2,344,621
Balance at June 30, 2021(Measurement Date)	\$87,016,620	\$17,212,809	\$69,803,811

**Sensitivity of the Net OPEB Liability**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
5.10%	6.10%	7.10%
\$80,752,562	\$69,803,811	\$60,709,942

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
4.40%	5.40%	6.40%
\$61,453,115	\$69,803,811	\$80,425,200

**CITY OF HAYWARD, CALIFORNIA**  
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**15. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2022, the City recognized OPEB expense of (\$2,236,221). At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$9,179,251	
Changes of assumptions	7,234,978	(\$27,267,152)
Difference between Expected and Actual Experience	1,423,403	(2,454,838)
Net difference between projected and actual earnings on investments		(2,193,655)
Total	\$17,837,632	(\$31,915,645)

\$9,179,251 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2023	(\$8,151,876)
2024	(6,410,726)
2025	(6,124,643)
2026	(3,115,056)
2027	240,682
Thereafter	304,355
Total	(\$23,257,264)



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**16. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; natural disasters. The City is self-insured for its general liability, workers' compensation, malpractice liability, and general and auto liability. The City has chosen to establish risk financing internal service funds where assets are set aside for claim settlements associated with the above risks of loss up to certain limits.

Type of Coverage	Self Insurance	Coverage and Limits
General Liability	\$0 - \$1,000,000 per occurrence	\$0 - \$25,000,000
Workers' compensation	\$0 - statutory limits	\$500,000 - \$50,000,000
Property	\$0 - \$500,000 per occurrence	\$250,000 - \$1,000,000,000
Cyber	\$0 - \$250,000 per occurrence	\$500,000 - \$40,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$2,000,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$250,000 per pollution condition	\$10,000,000 - \$50,000,000

Amounts in excess of the insured limits are self-insured.

In fiscal year 2004, the City did not renew its workers' compensation insurance coverage and instead elected to self-insure all workers' compensation claims.

The City is a member of the Exclusive Risk Management Authority of California JPA (formally known as CA Risk Management Authority) for general municipal liability insurance coverage.

**Self-Insurance** – The City records estimated liabilities for general liability claims filed or expected to be filed as part of the accrued liabilities in the General Liability Fund (internal service fund). Charges to the General Fund and other funds are determined from an analysis of self-insured claim costs and recorded as transfers from such funds to the General Liability Fund.

The City records estimated liabilities for workers' compensation claims filed or expected to be filed as part of the accrued liabilities in the Workers' Compensation Insurance Fund (internal service fund). Premiums are paid to the Insurance Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Property damage risks are covered on an occurrence basis up to the deductibles listed above by commercial insurance, Driver Alliant Insurance Services Inc., purchased from independent third parties. All properties are insured at full replacement values. During the past three years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The unpaid workers' compensation claims liabilities included in the Worker's Compensation Insurance Internal Service Fund are based on the results of an actuarial study and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. In addition, the liability is discounted using an annual interest rate of 2%.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**16. RISK MANAGEMENT (Continued)**

Changes in the balances of claims liabilities, including a provision for claims incurred but not reported, during the past two fiscal years are as follows:

	General Liability	Workers' Compensation	Totals, as of June 30	
			2022	2021
Balance, beginning of year	\$6,964,512	\$13,619,983	\$20,584,495	\$20,768,781
Current year claims and changes in estimates	1,291,698	3,621,500	4,913,198	5,338,726
Claims paid	(794,731)	(3,451,903)	(4,246,634)	(5,523,012)
Balance, end of year	<u>\$7,461,479</u>	<u>\$13,789,580</u>	<u>\$21,251,059</u>	<u>\$20,584,495</u>

GASB #10 requires the City to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including allocated loss adjustment expense and unallocated loss adjustment expenses. GASB #10 does not prohibit the discounting of losses to recognize investment income. The City's estimated minimum liability at June 30, 2022 is \$21,251,059. This amount is net of the allowable adjustment to recognize investment income.

**17. JOINT POWERS AGREEMENTS**

In March 2013, agencies of Alameda County entered into a Joint Powers Agreement creating the Energy Council to further the efforts of the Alameda County Waste Management Authority (ACWMA) in efforts to seek funding, develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean efficient and renewable resources in the region for the benefit of the member agencies. No debt, liability, or obligation of the Energy Council shall constitute a debt, liability of obligation of the City of Hayward pursuant to Government Code section 6508.1 and the terms of the agreement. The Energy Council shall be governed by the Board, consisting of one member from each governing body of each member agency. The financial activities for the Energy Council are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City.

The East Bay Dischargers Authority ("EBDA") was established in 1974 under the Joint Exercise of Powers Act of the State of California by the Cities of Hayward and San Leandro, and the Ora Loma, Castro Valley, and Union Sanitary Districts for the purpose of planning, acquiring, constructing, managing, and operating common use and individual wastewater treatment and disposal facilities for the member agencies. The governing body of EBDA consists of five members, one appointed by each of the member agencies. The City exercises a weighted vote of 20.7% of the total vote. As a separate legal entity, EBDA exercises full powers and authorities within the scope of the Joint Powers Agreement. Obligations and liabilities of EBDA are not those of the member agencies.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**17. JOINT POWERS AGREEMENTS (Continued)**

The financial activities for EBDA are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City. Transactions with and the investment in the joint powers agency are accounted for as follows:

- a) Payments related to the services which the City received during fiscal year 2022 amounted to \$726,134 and are recorded as materials, supplies and services expenses.
- b) Payments related to the City's long-term investment in the joint powers agency, for which the City has the ability to exercise significant influence over operating and financial policies, are recorded as an investment in the East Bay Dischargers Authority under the equity method. The City's equity approximates one-third of the total net position of EBDA and amounts to \$9,416,305 at June 30, 2021, the latest date for which financial information is available.

The investment in East Bay Dischargers Authority is valued as of June 30, 2021, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2021 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets		
Current		\$4,058,131
Capital assets - net		25,697,640
Total Assets		29,755,771
Deferred outflow of resources		559,164
Total		\$30,314,935
Liabilities		\$1,564,429
Deferred inflow of resources		501,592
Net Position		28,248,914
Total		\$30,314,935
Revenues		\$5,046,373
Expenses		(5,260,541)
Non-operating revenues		255,334
Non-operating expenses		(3,052,839)
Prior period adjustment		114,277
Change in Net Position		(\$2,897,396)

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**18. COMMITMENTS AND CONTINGENCIES**

***Litigation***

The City is a defendant in several lawsuits arising from its normal operations. City management is of the opinion that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

***Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge***

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25-year agreement with the SFPUC. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**18. COMMITMENTS AND CONTINGENCIES (Continued)**

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$2,521,752 during fiscal year 2022, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2023 is estimated to be \$2,561,736.

**19. CONDUIT DEBT WITHOUT CITY COMMITMENT**

On March 26, 1998, the City assisted in the issuance of \$9,500,000 in Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1998A for the purpose of providing funds to make a loan to Santa Clara Associates, LLC to provide permanent financing for a multifamily rental housing project known as the Timbers Apartments Project. Interest on the bonds is payable monthly commencing April 1, 1998. Principal on the Bonds is due March 1, 2023. The City has no legal or moral commitment for the repayment of these bonds.

On August 15, 2001, the City sponsored the issuance of the City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds (Lord Tennyson Apartments), 2001 Series A which were issued in the aggregate principal amount of \$6,450,000 to assist a developer in financing the acquisition and rehabilitation of a 96-unit multifamily complex located in Hayward. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On January 6, 2004 the City sponsored the issuance of the second supplement of the 1984A City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds, (Shorewood Apartment Project) which were issued in the aggregate principal amount of \$33,100,000 to refinance prior bonds used to finance the acquisition and construction of a 544-unit multifamily rental housing complex. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On April 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Lord Tennyson Apartments) 2005 Series A and 2005 Series A-T which were issued in the aggregate principal amount of \$14,625,000 to finance the acquisition, rehabilitation, and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

On October 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Las Casitas of Hayward) 2005 Series A which were issued in the aggregate principal amount of \$6,325,000 to finance the acquisition, rehabilitation, and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**19. CONDUIT DEBT WITHOUT CITY COMMITMENT (Continued)**

On November 28, 2006, the City sponsored the issuance of Multi-Family Housing Revenue Bonds (Saklan Family Housing Development) 2006 Series A which were issued in the aggregate principal amount of \$14,000,000 to assist in the construction and development 78-unit Saklan Family Housing project. The City has no legal or moral liability with respect to the payment of this debt.

On November 10, 2014, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (South Hayward BART Family and Senior Affordable Apartments) 2014 Series A which were issued in the aggregate principal amount of \$32,261,046 to assist in the acquisition and construction of a 150-unit multifamily rental housing facility. The City has no legal or moral liability with respect to the payment of this debt.

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

***Redevelopment Dissolution***

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City initially declined to become the Housing Successor, however after other agencies refused to assume the responsibility, the City elected to become the temporary Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Housing Authority Capital Projects Fund.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 30, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Housing Successor are reported in the Housing Authority Capital Projects Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Cash and Investments***

The Successor Agency pools cash from all sources and all funds with the City so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The details of the City’s investment pool can be found in Note 2.

Restricted cash and investments may be used only for activities authorized by the bond indentures of the Successor Agency’s Bonds.

***Loans Receivable***

The Successor Agencies assumed the notes and loans receivable of the former Redevelopment Agency as of February 1, 2012. The balance of the notes receivable assumed by the Successor Agency at June 30, 2022 was \$24,509,337 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust, consisting of rehabilitation and construction loans.

***Elementary School and Public Improvements (Cannery/Burbank Project)*** – Pursuant to an agreement between the former Redevelopment Agency, City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the former Redevelopment Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the former Redevelopment Agency. The project was completed during the year ended June 30, 2009 for a total cost of \$35,944,664. The site and improvements have been conveyed to the School District in exchange for a portion of land owned by the School District (the old school site).

The former Redevelopment Agency also agreed to deconstruct the old school site, and finance the cost of certain infrastructure improvements to the adjacent Cannery Park, which will be jointly used by the HARD, Park District and the School District. This infrastructure project was completed during the year ended June 30, 2009 for a total cost of \$6,813,260. The site and improvements have been conveyed to the HARD.

Receivables – To partially compensate the former Redevelopment Agency for the above design and construction costs and repay the advances, the School District, HARD and the City have agreed to assign certain school development fees and park-in-lieu fees to the former Redevelopment Agency. In addition, the School District has agreed that the former Redevelopment Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code, as partial compensation for the above costs. The remaining unreimbursed costs are recorded in a schedule of changes in the loan receivable balance for the year ended June 30, 2022.

	<u>School Project</u>	<u>Cannery Park</u>	<u>Cinema Place</u>	<u>Attraction</u>	<u>Total</u>
Balance at June 30, 2021	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337
Less: Loan Payments					
Balance at June 30, 2022	<u>\$19,259,659</u>	<u>\$3,491,901</u>	<u>\$275,624</u>	<u>\$1,482,153</u>	<u>\$24,509,337</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*Capital Assets*

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012.

Capital Assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their acquisition values. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows.

Buildings and improvements	10 - 50 years
Improvements other than Buildings	15 years
Machinery and equipment	7 - 50 years

The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

*Capital Asset Additions, Retirements, and Balances*

	Balance June 30, 2021	Additions	Balance June 30, 2022
Capital assets not being depreciated:			
Land	\$4,430,516		\$4,430,516
Total capital asset not being depreciated	4,430,516		4,430,516
Capital assets being depreciated:			
Buildings and improvements	14,135,897		14,135,897
Machinery and equipment	9,575		9,575
Total capital asset being depreciated	14,145,472		14,145,472
Less accumulated depreciation for:			
Buildings and improvements	4,648,428	\$314,131	4,962,560
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,658,003	314,131	4,972,135
Net depreciable assets	9,487,469	(314,131)	9,173,337
Private purpose trust fund assets, net	\$13,917,985	(\$314,131)	\$13,603,853



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Loans Payable***

The Successor Agencies assumed the notes and loans payable of the former Redevelopment Agency as of February 1, 2012. The balance of the loans payable assumed by the Successor Agency at June 30, 2022 was \$7,539,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	<b>Advances to Private Purpose Trust Fund</b>	<b>Advances From City</b>
General Fund	\$3,636,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$7,539,979
Total	\$7,539,979	\$7,539,979

Funds were advanced from the City to the former Redevelopment Agency under an Amended Repayment Agreement whereby the Agency has agreed to reimburse the City a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza not to exceed \$11,186,217.

Under the Dissolution Act, certain agreements between Cities and redevelopment agencies no longer qualify as enforceable obligations. However, with the passage of AB 1484 on June 28, 2012, upon meeting certain requirements including the issuance of a finding of completion by the State Department of Finance and approval from the Oversight Board, this loan was restored at LAIF rates from inception. The amounts above reflect only the principal portion of the loan. As a result of the State Controller’s Office Asset Transfer Review, completed in 2014, a loan repayment made by the Successor Agency to the City’s General Fund in March 2011 of \$2.22 million was disallowed. Additional repayments of \$1,041,075 by the Successor Agency to the City’s Water Enterprise Fund and \$831,877 by the Successor Agency to the City’s Sewer Enterprise Fund were also disallowed. These balances are reflected in the table above. In late November 30, 2018 the California State Supreme Court granted the Petition Writ of Mandate in the City’s favor which confirms that the \$2.22 million obligation due the General Fund would be recognized and repaid by the State Department of Finance.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Long-Term Debt***

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 2012. The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter.

Type of Obligation	Authorized and Issued	Balance at June 30, 2021	Retirements	Balance at June 30, 2022	Current Portion
Tax Allocation Bonds, 2016 Refunding Redevelopment Agency due 3/1/2036, interest at 2.0%-5.0% Add: Original Issue Premium	\$35,270,000	\$26,130,000	\$1,975,000	\$24,155,000	\$2,070,000
		2,760,126	184,009	2,576,117	
Total	<u>\$35,270,000</u>	<u>\$28,890,126</u>	<u>\$2,159,009</u>	<u>\$26,731,117</u>	<u>\$2,070,000</u>

At June 30, 2022, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Successor Agency	
	Principal	Interest
2023	\$2,070,000	\$1,154,375
2024	2,180,000	1,049,625
2025	2,290,000	939,375
2026	2,405,000	823,625
2027	2,415,000	702,125
2028 - 2032	7,650,000	2,008,125
2033 - 2036	5,145,000	513,200
Totals	24,155,000	<u>\$7,190,450</u>
Plus unamortized premium	2,576,117	
Total Long-term debt principal, net	<u>\$26,731,117</u>	

***2016 Tax Allocation Refunding Bonds***

On November 29, 2016, the Successor Agency issued 2016 Tax Allocation Refunding Bonds in the amount of \$35,270,000. The proceeds of the Bonds were used to refund the 2004 Tax Allocation Bonds and 2006 Tax Allocation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The Bonds are payable in annual installments as indicated below until maturity on March 1, 2036. Interest is paid semiannually on March 1 and September 1, with rates ranging from 2.0% to 5.0% per annum.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

**20. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the bonds, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The Successor Agency only receives the funds necessary to fulfill its approved obligations. In fiscal year 2022, total tax increment calculated and available for distribution by the County Auditor-Controller was \$4,159,450, and the total received by the Successor Agency was \$3,701,590. The taxes available for distribution covered 115% of the \$3,229,250 of debt service.

***Commitments and Contingencies***

***State Approval of Enforceable Obligations – Successor Agency***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
<b>Total Pension Liability</b>			
Service Cost	\$6,288,587	\$5,922,880	\$6,147,333
Interest	27,661,985	28,504,068	29,369,393
Differences between expected and actual experience		(3,128,990)	(1,584,352)
Changes in assumptions		(6,628,461)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	<u>(19,351,565)</u>	<u>(21,117,520)</u>	<u>(22,169,235)</u>
<b>Net change in total pension liability</b>	14,599,007	3,551,977	11,763,139
<b>Total pension liability - beginning</b>	<u>375,357,954</u>	<u>389,956,961</u>	<u>393,508,938</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$389,956,961</u></u>	<u><u>\$393,508,938</u></u>	<u><u>\$405,272,077</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$7,412,951	\$8,397,492	\$9,973,051
Contributions - employee	3,116,188	3,176,411	3,159,686
Net investment income	42,388,729	6,280,326	1,454,000
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)	(22,169,235)
Plan to plan resource movement		2,005	(11,393)
Administrative expense		(311,784)	(168,838)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	33,566,303	(3,573,070)	(7,762,729)
<b>Plan fiduciary net position - beginning</b>	<u>247,040,337</u>	<u>280,606,640</u>	<u>277,033,570</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$280,606,640</u></u>	<u><u>\$277,033,570</u></u>	<u><u>\$269,270,841</u></u>
Net pension liability - ending (a)-(b)	<u><u>\$109,350,321</u></u>	<u><u>\$116,475,368</u></u>	<u><u>\$136,001,236</u></u>
Plan fiduciary net position as a percentage of the total pension liability	71.96%	70.40%	66.44%
Covered payroll	\$37,254,645	\$37,577,455	\$37,278,957
Net pension liability as percentage of covered payroll	293.52%	309.96%	364.82%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, 2020 and 2021, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
\$7,504,688	\$7,869,869	\$8,124,065	\$8,254,476	\$8,338,579
30,173,942	31,188,964	32,708,864	33,774,340	34,724,511
444,821	2,372,377	6,313,847	(481,002)	(2,023,562)
23,917,327	(2,819,842)			
<u>(22,746,836)</u>	<u>(23,688,392)</u>	<u>(24,796,470)</u>	<u>(26,234,280)</u>	<u>(27,282,114)</u>
39,293,942	14,922,976	22,350,306	15,313,534	13,757,414
<u>405,272,077</u>	<u>444,566,019</u>	<u>459,488,995</u>	<u>481,839,301</u>	<u>497,152,835</u>
<u>\$444,566,019</u>	<u>\$459,488,995</u>	<u>\$481,839,301</u>	<u>\$497,152,835</u>	<u>\$510,910,249</u>
\$11,093,282	\$10,774,004	\$12,008,441	\$12,993,586	\$14,566,265
3,799,837	4,511,187	4,682,650	5,503,016	5,540,369
29,788,614	24,576,008	19,998,965	15,793,925	73,248,533
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)	(27,282,114)
(46,705)	(711)			
(397,560)	(453,086)	(218,097)	(447,310)	(324,560)
	(860,419)	711		
<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>	<u>7,608,937</u>	<u>65,748,493</u>
<u>269,270,841</u>	<u>290,761,473</u>	<u>305,620,064</u>	<u>317,296,264</u>	<u>324,905,201</u>
<u>\$290,761,473</u>	<u>\$305,620,064</u>	<u>\$317,296,264</u>	<u>\$324,905,201</u>	<u>\$390,653,694</u>
<u>\$153,804,546</u>	<u>\$153,868,931</u>	<u>\$164,543,037</u>	<u>\$172,247,634</u>	<u>\$120,256,555</u>
65.40%	66.51%	65.85%	65.35%	76.46%
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731
391.11%	353.29%	383.69%	350.02%	240.07%

**CITY OF HAYWARD**  
**SCHEDULE OF CONTRIBUTIONS**  
**Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan**  
**Last 10 Years\***

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$8,401,478	\$10,026,685	\$11,092,052
Contributions in relation to the actuarially determined contributions	<u>8,401,478</u>	<u>10,026,685</u>	<u>11,092,052</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$37,577,455	\$37,278,957	\$39,325,308
Contributions as a percentage of covered payroll	22.36%	26.90%	28.21%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75% for 2015 to 2019, 2.625% for 2020, and 2.50% for 2021 and 2022
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7.00% for 2021 and 2022, net of pension plan investment expense, including inflation.

Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
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Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, and 2021, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
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\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation



<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$10,776,908	\$12,013,423	\$12,996,103	\$14,580,046	\$16,119,682
<u>10,776,908</u>	<u>12,013,423</u>	<u>12,996,103</u>	<u>14,580,046</u>	<u>16,119,682</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731	\$53,975,164
24.74%	28.01%	26.41%	29.11%	29.86%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Safety - Fire Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

Measurement Date	6/30/2014	6/30/2015	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$4,037,733	\$3,887,900	\$4,145,914
Interest	17,319,964	18,049,868	19,111,623
Differences between expected and actual experience		763,164	5,499,415
Changes in assumptions		(4,308,430)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)	(13,979,969)
<b>Net change in total pension liability</b>	9,303,033	4,998,406	14,776,983
<b>Total pension liability - beginning</b>	234,941,316	244,244,349	249,242,755
<b>Total pension liability - ending (a)</b>	<u>\$244,244,349</u>	<u>\$249,242,755</u>	<u>\$264,019,738</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$4,128,191	\$4,969,514	\$5,795,308
Contributions - employee	2,212,037	2,383,255	2,527,042
Net investment income	26,481,168	3,918,637	802,917
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)	(13,979,969)
Plan to plan resource movement			
Administrative expense		(193,742)	(104,917)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	20,766,732	(2,316,432)	(4,959,619)
<b>Plan fiduciary net position - beginning</b>	153,701,396	174,468,128	172,151,696
<b>Plan fiduciary net position - ending (b)</b>	<u>\$174,468,128</u>	<u>\$172,151,696</u>	<u>\$167,192,077</u>
Net pension liability - ending (a)-(b)	<u>\$69,776,221</u>	<u>\$77,091,059</u>	<u>\$96,827,661</u>
Plan fiduciary net position as a percentage of the total pension liability	71.43%	69.07%	63.33%
Covered payroll	\$14,894,224	\$15,304,881	\$15,425,723
Net pension liability as percentage of covered payroll	468.48%	503.70%	627.70%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, 2020 and 2021, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
\$5,098,972	\$4,895,549	\$5,286,457	\$5,558,671	\$5,407,873
19,657,506	20,408,514	21,091,439	22,013,653	22,482,175
(324,662)	2,612,499	270,193	3,298,871	(3,440,760)
16,122,983	(1,401,429)			
<u>(14,874,772)</u>	<u>(15,849,714)</u>	<u>(16,586,918)</u>	<u>(17,242,575)</u>	<u>(17,764,280)</u>
25,680,027	10,665,419	10,061,171	13,628,620	6,685,008
<u>264,019,738</u>	<u>289,699,765</u>	<u>300,365,184</u>	<u>310,426,355</u>	<u>324,054,975</u>
<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>	<u>\$324,054,975</u>	<u>\$330,739,983</u>
\$6,378,762	\$6,646,548	\$8,015,957	\$9,191,715	\$10,135,787
2,544,269	2,516,137	3,093,507	2,851,797	2,828,307
18,488,612	15,036,869	12,184,975	9,590,927	44,584,546
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)	(17,764,280)
	(437)			
(246,848)	(279,683)	(133,462)	(272,922)	(197,504)
	<u>(531,122)</u>	<u>437</u>		
12,290,023	7,538,598	6,574,496	4,118,942	39,586,856
<u>167,192,077</u>	<u>179,482,100</u>	<u>187,020,698</u>	<u>193,595,194</u>	<u>197,714,136</u>
<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>	<u>\$197,714,136</u>	<u>\$237,300,992</u>
<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>	<u>\$126,340,839</u>	<u>\$93,438,991</u>
61.95%	62.26%	62.36%	61.01%	71.75%
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737
664.78%	630.48%	608.42%	665.41%	494.39%

**CITY OF HAYWARD**  
**SCHEDULE OF CONTRIBUTIONS**

Safety - Fire Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

Fiscal Year Ended June 30	2015	2016	2017
Actuarially determined contribution	\$4,879,642	\$5,789,172	\$6,383,503
Contributions in relation to the actuarially determined contributions	4,879,642	5,789,172	6,383,503
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$15,304,881	\$15,425,723	\$16,579,674
Contributions as a percentage of covered payroll	31.88%	37.53%	38.50%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75% for 2015 to 2019, 2.625% for 2020, 2.50% for 2021 and 2022.
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7.00% for 2021 and 2022, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, 2021 and 2022, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$6,646,548	\$8,015,966	\$9,197,653	\$10,135,787	\$11,490,694
6,646,548	8,015,966	9,197,653	10,135,787	11,490,694
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737	\$19,620,173
36.97%	41.74%	48.44%	53.63%	58.57%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

Measurement Date	6/30/2014	6/30/2015	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$6,810,663	\$6,454,659	\$6,807,555
Interest	22,705,717	23,663,122	25,023,071
Differences between expected and actual experience		(823,804)	4,712,282
Changes in assumptions		(5,929,992)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)	(17,676,444)
<b>Net change in total pension liability</b>	14,287,468	6,581,647	18,866,464
<b>Total pension liability - beginning</b>	306,952,014	321,239,482	327,821,129
<b>Total pension liability - ending (a)</b>	\$321,239,482	\$327,821,129	\$346,687,593
<b>Plan fiduciary net position</b>			
Contributions - employer	\$5,781,918	\$7,594,532	\$8,594,361
Contributions - employee	3,731,615	3,296,967	3,666,124
Net investment income	32,686,768	4,819,953	1,028,532
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)	(17,676,444)
Net plan to plan resource movement			11,302
Administrative expense		(241,860)	(130,972)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	26,971,389	(1,312,746)	(4,507,097)
<b>Plan fiduciary net position - beginning</b>	189,244,302	216,215,691	214,902,945
<b>Plan fiduciary net position - ending (b)</b>	\$216,215,691	\$214,902,945	\$210,395,848
Net pension liability - ending (a)-(b)	\$105,023,791	\$112,918,184	\$136,291,745
Plan fiduciary net position as a percentage of the total pension liability	67.31%	65.55%	60.69%
Covered payroll	\$21,359,362	\$22,033,138	\$21,649,761
Net pension liability as percentage of covered payroll	491.70%	512.49%	629.53%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, 2020 and 2021, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
\$8,055,656	\$8,436,727	\$7,716,531	\$8,079,098	\$7,685,977
25,738,287	26,651,517	28,039,320	29,217,195	30,543,429
(3,900,767)	(1,105,506)	4,860,684	2,096,406	4,592,527
21,956,739	(1,587,612)			
<u>(17,590,706)</u>	<u>(19,447,095)</u>	<u>(20,910,933)</u>	<u>(22,208,581)</u>	<u>(24,078,504)</u>
34,259,209	12,948,031	19,705,602	17,184,118	18,743,429
<u>346,687,593</u>	<u>380,946,802</u>	<u>393,894,833</u>	<u>413,600,435</u>	<u>430,784,553</u>
<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>	<u>\$430,784,553</u>	<u>\$449,527,982</u>
\$10,508,222	\$10,740,724	\$12,243,071	\$13,842,327	\$14,979,477
3,782,992	3,754,299	3,750,089	3,749,712	3,687,755
23,301,215	19,562,389	16,002,505	12,710,839	59,475,902
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)	(24,078,504)
	(567)			
(310,635)	(358,539)	(173,879)	(358,879)	(262,026)
	(680,871)	567		
<u>19,691,088</u>	<u>13,570,340</u>	<u>10,911,420</u>	<u>7,735,418</u>	<u>53,802,604</u>
<u>210,395,848</u>	<u>230,086,936</u>	<u>243,657,276</u>	<u>254,568,696</u>	<u>262,304,114</u>
<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>	<u>\$262,304,114</u>	<u>\$316,106,718</u>
<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>	<u>\$168,480,439</u>	<u>\$133,421,264</u>
60.40%	61.86%	61.55%	60.89%	70.32%
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152
659.24%	617.11%	638.36%	677.89%	535.70%

**CITY OF HAYWARD**  
**SCHEDULE OF CONTRIBUTIONS**  
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$7,487,975	\$8,650,555	\$10,512,716
Contributions in relation to the actuarially determined contributions	<u>7,487,975</u>	<u>8,650,555</u>	<u>10,512,716</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$22,033,138	\$21,649,761	\$22,884,077
Contributions as a percentage of covered payroll	33.99%	39.96%	45.94%

**Notes to Schedule**

Valuation date: 6/30/2013 6/30/2014 6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	14 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.50%
Salary increases	2.75% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2021, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation



<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$10,740,724	\$12,240,356	\$13,839,941	\$14,979,710	\$16,160,318
<u>10,740,724</u>	<u>12,240,356</u>	<u>13,839,941</u>	<u>14,979,710</u>	<u>16,160,318</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152	\$25,146,543
44.12%	49.13%	55.69%	60.14%	64.26%
6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**AGENT MULTIPLE EMPLOYER PLAN**

Last 10 fiscal years\*

Measurement Date	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
<b>Total OPEB Liability</b>					
Service cost	\$4,646,537	\$4,054,275	\$4,121,478	\$2,213,810	\$1,773,630
Interest	3,528,286	4,015,577	4,186,619	5,048,226	5,405,045
Changes in benefit terms					
Differences between expected and actual experience			2,686,781		(2,914,546)
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)	(10,988,323)	8,589,843
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)
<b>Net change in total OPEB liability</b>	(7,478,529)	2,864,889	(26,135,923)	(8,609,089)	8,058,568
<b>Total OPEB liability - beginning</b>	118,316,704	110,838,175	113,703,064	87,567,141	78,958,052
<b>Total OPEB liability - ending (a)</b>	<u>\$110,838,175</u>	<u>\$113,703,064</u>	<u>\$87,567,141</u>	<u>\$78,958,052</u>	<u>\$87,016,620</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188	\$7,455,802	\$6,795,404
Contributions - employee			377,793	(374,055)	368,000
Net investment income	396,755	318,308	455,417	1,012,025	3,350,575
Administrative expense	(2,014)	(2,234)	(1,348)	(4,528)	(4,628)
Other expense		(5,491)			
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)	(4,795,404)
<b>Net change in plan fiduciary net position</b>	394,741	1,310,583	2,831,862	3,206,442	5,713,947
<b>Plan fiduciary net position - beginning</b>	3,755,234	4,149,975	5,460,558	8,292,420	11,498,862
<b>Plan fiduciary net position - ending (b)</b>	<u>\$4,149,975</u>	<u>\$5,460,558</u>	<u>\$8,292,420</u>	<u>\$11,498,862</u>	<u>\$17,212,809</u>
Net OPEB liability - ending (a)-(b)	<u>\$106,688,200</u>	<u>\$108,242,506</u>	<u>\$79,274,721</u>	<u>\$67,459,190</u>	<u>\$69,803,811</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.74%	4.80%	9.47%	14.56%	19.78%
Covered-employee payroll	<u>\$97,007,987</u>	<u>\$100,785,694</u>	<u>\$104,434,054</u>	<u>\$105,982,182</u>	<u>\$110,872,748</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>109.98%</u>	<u>107.40%</u>	<u>75.91%</u>	<u>63.65%</u>	<u>62.96%</u>

**Notes to schedule:**

\* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation Report

**CITY OF HAYWARD**  
**SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS**  
**AGENT MULTIPLE EMPLOYER PLAN**  
Last 10 fiscal years\*

Fiscal Year Ended June 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174	\$7,190,835	\$7,190,483
Contributions in relation to the actuarially determined contribution	<u>5,190,672</u>	<u>6,374,161</u>	<u>7,455,802</u>	<u>6,795,404</u>	<u>9,179,251</u>
Contribution deficiency (excess)	<u>\$2,847,355</u>	<u>\$2,020,306</u>	<u>(\$451,628)</u>	<u>\$395,431</u>	<u>(\$1,988,768)</u>
Covered employee payroll	<u>\$100,785,694</u>	<u>\$104,434,054</u>	<u>\$105,982,182</u>	<u>\$110,872,748</u>	<u>\$114,198,930</u>
Contributions as a percentage of covered payroll	5.15%	6.10%	7.03%	6.13%	8.04%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2017	6/30/2017	6/30/2019	6/30/2019	6/30/2021
Actuarial Assumptions:					
Discount Rate	3.56%	3.62%	6.90%	6.90%	6.10%
Inflation	3.00%	2.75%	2.50%	2.50%	2.50%
Payroll Growth	3.25%	3.25%	3.00%	3.00%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%	6.90%	6.10%
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008.		Mortality rates used were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.		
Pre-Retirement Turnover	Must retire from CalPERS on or after age 65 with at least 10 years of service.				
Healthcare	5% to 6.5%	5% to 7.5%	4% to 5.4%	4% to 5.4%	3.9% to 5.8%

\* Fiscal year 2018 was the first year of implementation.

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**GENERAL FUND AND SPECIAL REVENUE FUNDS  
BUDGET AND ACTUAL SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget Positive (Negative)
	Adopted *	Adjusted *		(Negative)
<b>REVENUES:</b>				
Property taxes	\$58,809,200	\$59,645,780	\$63,524,226	\$3,878,446
Sales taxes	60,283,000	61,283,000	64,666,358	3,383,358
Utility users tax	17,542,000	17,542,000	17,308,117	(233,883)
Other taxes	34,301,000	37,070,746	40,989,057	3,918,311
Licenses and permits	7,581,360	7,731,360	7,040,991	(690,369)
Fines and forfeitures	2,309,609	2,348,003	2,687,659	339,656
Investment income	299,880	299,880	(1,071,533)	(1,371,413)
Rental income	350,000	350,000	476	(349,524)
Intergovernmental	7,733,203	7,733,203	6,303,496	(1,429,707)
Fees and charges for services	2,229,100	2,229,100	4,271,451	2,042,351
Other revenue	2,109,513	2,114,749	160,055	(1,954,694)
<b>Total Revenues</b>	<b>193,547,865</b>	<b>198,347,821</b>	<b>205,880,353</b>	<b>7,532,532</b>
<b>EXPENDITURES:</b>				
Current:				
General government	14,636,460	17,443,796	14,916,462	2,527,334
Public safety	129,178,231	129,037,541	134,446,672	(5,409,131)
Public works and transportation	3,833,299	4,036,190	4,117,683	(81,493)
Library and community services	8,858,781	8,875,450	8,460,055	415,395
Planning and building	8,902,160	10,658,439	9,576,414	1,082,025
Maintenance services	9,607,096	9,939,372	10,364,501	(425,129)
<b>Total Expenditures</b>	<b>175,016,027</b>	<b>179,990,788</b>	<b>181,881,787</b>	<b>(1,890,999)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>18,531,838</b>	<b>18,357,033</b>	<b>23,998,566</b>	<b>5,641,533</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,319,046	11,920,546	10,297,546	(1,623,000)
Transfers (out)	(42,608,699)	(42,609,699)	(42,596,087)	13,612
<b>Total Other Financing Sources (Uses)</b>	<b>(38,289,653)</b>	<b>(30,689,153)</b>	<b>(32,298,541)</b>	<b>(1,609,388)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$19,757,815)</b>	<b>(\$12,332,120)</b>	<b>(8,299,975)</b>	<b>\$4,032,145</b>
<b>BEGINNING FUND BALANCE</b>			<b>66,191,407</b>	
<b>ENDING FUND BALANCE</b>			<b>\$57,891,432</b>	

\* Includes revenue and expenditures related to the City's Measure C District Sales Tax.

CITY OF HAYWARD  
 FEDERAL GRANTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Investment income			(\$45,996)	(\$45,996)
Intergovernmental	\$427,100	\$735,370	1,162,481	427,111
Other revenue			171,669	171,669
	<u>427,100</u>	<u>735,370</u>	<u>1,288,154</u>	<u>552,784</u>
EXPENDITURES:				
Current:				
Public safety		605,325	144,522	460,803
Library and community services		605,619	369,953	235,666
Economic development	441,821	1,031,424	121,096	910,328
	<u>441,821</u>	<u>2,242,368</u>	<u>635,571</u>	<u>1,606,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,721)</u>	<u>(1,506,998)</u>	<u>652,583</u>	<u>2,159,581</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	
NET CHANGE IN FUND BALANCE	<u>(\$14,721)</u>	<u>(\$1,506,998)</u>	612,583	<u>\$2,119,581</u>
BEGINNING FUND BALANCE			<u>14,836,667</u>	
ENDING FUND BALANCE			<u>\$15,449,250</u>	

CITY OF HAYWARD  
 AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			(\$251,911)	(\$251,911)
Intergovernmental			12,295,076	12,295,076
Total Revenues			12,043,165	12,043,165
EXPENDITURES:				
Current:				
General government		\$8,743,500	4,348,070	4,395,430
Public safety			41,982	(41,982)
Public works and transportation		1,959,000	89,829	1,869,171
Maintenance services		900,000	313,284	586,716
Total Expenditures		11,602,500	4,793,165	6,809,335
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(11,602,500)	7,250,000	18,852,500
OTHER FINANCING SOURCES (USES):				
Transfers (out)		(7,250,000)	(7,250,000)	
Total Other Financing Sources (Uses)		(7,250,000)	(7,250,000)	
NET CHANGE IN FUND BALANCE		(\$18,852,500)		\$18,852,500
BEGINNING FUND BALANCE			_____	
ENDING FUND BALANCE			_____	



## **SUPPLEMENTAL INFORMATION**

CITY OF HAYWARD  
HOUSING AUTHORITY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$80,000	\$80,000	(\$128,012)	(\$208,012)
Fees and charges for services			1,222	1,222
Other revenue	120,000	120,000	3,997,427	3,877,427
Total Revenues	200,000	200,000	3,870,637	3,670,637
EXPENDITURES:				
Current:				
Economic development	207,925	4,851,950	3,928,369	923,581
Total Expenditures	207,925	4,851,950	3,928,369	923,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,925)	(4,651,950)	(57,732)	(4,594,218)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(10,688)	(10,688)	(10,688)	
Total Other Financing Sources (Uses)	(10,688)	(10,688)	(10,688)	
NET CHANGE IN FUND BALANCE	(\$18,613)	(\$4,651,950)	(68,420)	\$4,583,530
BEGINNING FUND BALANCE			22,747,015	
ENDING FUND BALANCE			\$22,678,595	

CITY OF HAYWARD  
GENERAL CAPITAL PROJECTS CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Other taxes			\$734,447	\$734,447
Investment income			(278,215)	(278,215)
Intergovernmental			2,381,143	2,381,143
Other revenue		\$19,800	8,083,133	8,063,333
Total Revenues		19,800	10,920,508	10,900,708
EXPENDITURES:				
Current:				
Public works and transportation		48,428	40,743	7,685
Capital outlay	\$66,746,000	87,466,166	38,247,054	49,219,112
Debt service				
Principal			707,992	(707,992)
Interest and fiscal charges			35,411	(35,411)
Total Expenditures	66,746,000	87,514,594	39,031,200	48,483,394
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,746,000)	(87,494,794)	(28,110,692)	59,384,102
OTHER FINANCING SOURCES (USES):				
Issuance of capital lease			1,063,021	(1,063,021)
Transfers in	22,910,000	23,451,561	23,451,560	1
Transfers (out)		(351,500)	(351,500)	
Total Other Financing Sources (Uses)	22,910,000	23,100,061	24,163,081	(1,063,020)
NET CHANGE IN FUND BALANCE	<u>(\$43,836,000)</u>	<u>(\$64,394,733)</u>	(3,947,611)	<u>\$60,447,122</u>
BEGINNING FUND BALANCE			<u>14,454,839</u>	
ENDING FUND BALANCE			<u>\$10,507,228</u>	

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**COMBINING GENERAL FUND SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2022

	General Fund		Total
	General Purpose	Measure C District Sales Tax	
<b>ASSETS:</b>			
Cash, cash equivalents, and investments	\$39,499,484	\$16,269,334	\$55,768,818
Accounts receivable, net	898,983		898,983
Loans receivable	50,000		50,000
Due from other governments	9,801,153	3,891,810	13,692,963
Due from other funds	1,091,840		1,091,840
Long-term loans to the Private Purpose Trust Fund	3,636,442		3,636,442
Deposits, parts, supplies and other	4,714		4,714
<b>Total Assets</b>	<b>\$54,982,616</b>	<b>\$20,161,144</b>	<b>\$75,143,760</b>
<b>LIABILITIES:</b>			
Accounts payable	\$2,443,110	2,795	\$2,445,905
Accrued liabilities	7,258,764	133,010	7,391,774
Long-term interfund payables	2,937,681		2,937,681
Refundable deposits	4,476,968		4,476,968
<b>Total Liabilities</b>	<b>17,116,523</b>	<b>135,805</b>	<b>17,252,328</b>
<b>FUND BALANCES:</b>			
Nonspendable	3,641,156		3,641,156
Assigned		20,025,339	20,025,339
Unassigned	34,224,937		34,224,937
<b>Total Fund Balances</b>	<b>37,866,093</b>	<b>20,025,339</b>	<b>57,891,432</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$54,982,616</b>	<b>\$20,161,144</b>	<b>\$75,143,760</b>

CITY OF HAYWARD  
GENERAL FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund		
	General Fund	Measure C District Sales Tax	Total
<b>REVENUES:</b>			
Property taxes	\$63,524,226		\$63,524,226
Sales taxes	44,027,645	\$20,638,713	64,666,358
Utility users tax	17,308,117		17,308,117
Other taxes	40,989,057		40,989,057
Licenses and permits	7,040,991		7,040,991
Fines and forfeitures	2,687,659		2,687,659
Investment income	(806,133)	(265,400)	(1,071,533)
Rental income	476		476
Intergovernmental	6,303,496		6,303,496
Fees and charges for services	4,271,451		4,271,451
Other revenue	160,055		160,055
<b>Total Revenues</b>	<b>185,507,040</b>	<b>20,373,313</b>	<b>205,880,353</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	14,916,462		14,916,462
Public safety	134,446,672		134,446,672
Public works and transportation	4,117,683		4,117,683
Library and community services	8,460,055		8,460,055
Planning and building	9,576,414		9,576,414
Maintenance services	5,601,652	4,762,849	10,364,501
<b>Total Expenditures</b>	<b>177,118,938</b>	<b>4,762,849</b>	<b>181,881,787</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,388,102</b>	<b>15,610,464</b>	<b>23,998,566</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	10,297,546		10,297,546
Transfers (out)	(16,949,211)	(25,646,876)	(42,596,087)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,651,665)</b>	<b>(25,646,876)</b>	<b>(32,298,541)</b>
<b>CHANGE IN FUND BALANCES</b>	<b>1,736,437</b>	<b>(10,036,412)</b>	<b>(8,299,975)</b>
<b>BEGINNING FUND BALANCES</b>	<b>36,129,656</b>	<b>30,061,751</b>	<b>66,191,407</b>
<b>ENDING FUND BALANCES</b>	<b>\$37,866,093</b>	<b>\$20,025,339</b>	<b>\$57,891,432</b>

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Special Gasoline Tax Fund* – Accounts for revenue apportioned to the City from State collected gasoline taxes and expended for construction and maintenance of City streets.

*Community Development Block Grant Program Fund* – Accounts for monies received from the U.S. Department of Housing and Urban Development (“HUD”) and expended for development of jobs and suitable housing for low-income residents.

*Housing Mortgage Revenue Bonds Fund* – Accounts for fees paid by benefited developers of multifamily rental housing and used to reimburse City cost related to bond issuance and program monitoring.

*Park Dedication Ordinance Fund* – Accounts for park dedication fees applied to new construction and expended for acquisition of recreational land and construction of recreational facilities.

*Business Improvement Fund* – Accounts for fees imposed on businesses within the downtown business improvement district and expended on activities, which enhance the district as a shopping and business center.

*Donation Fund* – Accounts for miscellaneous donations expended for purposes agreed upon by the City and the donors.

*Recycling Fund* – Accounts for revenue received from County Measure D funds and grants used to support the City’s recycling program.

*Narcotics Asset Seizure Fund* – Accounts for funds received pursuant to federal and State narcotic and seizure laws used to support identified law enforcement activities.

*Park Maintenance District Fund* – Accounts for revenues from annual assessments of developers’ proportionate shares of the City’s costs for park maintenance in the areas of the developers’ projects and accounts for the actual park maintenance costs.

*Measure B Local Streets and Roads* – Accounts for proceeds of an additional one-half cent sales tax to be used to improve, repair and overlay city streets.

*Measure B Pedestrian Fund* – Accounts for revenue apportioned to the City from locally collected retail sales taxes and expended for pedestrian projects.

*Measure B Paratransit Fund* – Accounts for the provision of taxi and van transportation for the elderly and the handicapped.

*Measure BB Fund* – Supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects. Accounts for the provision of taxi and van transportation for the elderly and handicapped. An additional 1% sales tax is collected to support this program.

## **NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

*Measure F Fund* – Alameda County Vehicle Registration Fee was approved in November 2010. \$10 per year vehicle registration fee collection supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects.

*Local Grants Fund* – Accounts for grants not originating from the Federal Government and State of California.

*RRAA (SBI) Fund* – Accounts for revenue appropriated to the City from State of California collected gas taxes and expended for road maintenance and rehabilitation.

*Rental Housing Program Fund* – Accounts for transactions related to residential rent stabilization and tenant protection ordinance to mitigate displacement of Hayward residents.

*Affordable Housing Fund* – Accounts for transactions related to affordable housing in-lieu fees to be used for the supply of housing affordable to moderate-, low-, very low-, or extremely low-income households.

### **DEBT SERVICE FUNDS**

*Certificates of Participation* – Accounts for transfers of revenue from the general and capital projects funds for payment of interest and principal on certificates of participation.

### **CAPITAL PROJECTS FUNDS**

*Route 238 Corridor Improvement Fund* – Accounts for various roadway improvements along Foothill Boulevard and Mission Boulevard between northern city limits and Industrial Parkway including a downtown one way loop street system, peak hour traffic lanes, pedestrian and bicycle improvements, and landscaping enhancements.

*Traffic Signal Construction Fund* – Accounts for traffic signal fees paid by developers of residential housing and expended for installation of traffic signal equipment.

*Performance Deposits Fund* – Accounts for deposits belong to developer which will go through the entitle process for eligible expenses. Once the projects are completed, the City will either refund or bill developers for the difference.

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CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
<b>ASSETS:</b>				
Cash, cash equivalents, and investments	\$1,385,302		\$269,598	\$17,464,648
Accounts receivable, net				
Due from other governments	665,401			
Interest receivable			2,037	
Loans receivable		\$4,869,321	148,188	
Land held for resale				
	<u>\$2,050,703</u>	<u>\$4,869,321</u>	<u>\$419,823</u>	<u>\$17,464,648</u>
<b>LIABILITIES:</b>				
Accounts payable	\$404,964	\$244,825	\$302	
Accrued liabilities		18,513	3,285	
Due to other funds		105,461		
Unearned revenue				
Refundable deposits				
	<u>404,964</u>	<u>368,799</u>	<u>3,587</u>	
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue				
	<u></u>	<u></u>	<u></u>	<u></u>
<b>FUND BALANCES:</b>				
Restricted:				
Public safety				
Public works and transportation	1,645,739			
Planning and building				\$17,464,648
Economic development		4,500,522	416,236	
Debt service				
	<u>1,645,739</u>	<u>4,500,522</u>	<u>416,236</u>	<u>17,464,648</u>
Total Fund Balances	<u>1,645,739</u>	<u>4,500,522</u>	<u>416,236</u>	<u>17,464,648</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$2,050,703</u>	<u>\$4,869,321</u>	<u>\$419,823</u>	<u>\$17,464,648</u>

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$45,904 935	\$757,361	\$5,173,246	\$407,447	\$3,899,480	\$6,223,531
		182,741 68,180 53,631		2,937	34,213
<u>\$46,839</u>	<u>\$757,361</u>	<u>\$5,477,798</u>	<u>\$407,447</u>	<u>\$3,902,417</u>	<u>\$6,257,744</u>
	\$18,772 352	\$230,131 14,246		\$95,244	\$214,788
			\$52,058		
	<u>19,124</u>	<u>244,377</u>	<u>52,058</u>	<u>95,244</u>	<u>214,788</u>
<u>\$936</u>					
936					
			355,389		
45,903	738,237	5,233,421		3,807,173	6,042,956
<u>45,903</u>	<u>738,237</u>	<u>5,233,421</u>	<u>355,389</u>	<u>3,807,173</u>	<u>6,042,956</u>
<u>\$46,839</u>	<u>\$757,361</u>	<u>\$5,477,798</u>	<u>\$407,447</u>	<u>\$3,902,417</u>	<u>\$6,257,744</u>

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
<b>ASSETS:</b>				
Cash, cash equivalents, and investments	\$1,737,027	\$1,333,488	\$10,637,606	\$822,644
Accounts receivable, net				
Due from other governments	6,846	12,524	2,265,223	144,788
Interest receivable				
Loans receivable				
Land held for resale				
	<u>\$1,743,873</u>	<u>\$1,346,012</u>	<u>\$12,902,829</u>	<u>\$967,432</u>
<b>LIABILITIES:</b>				
Accounts payable	\$638,455	\$145,458	\$272,363	\$118,166
Accrued liabilities		10,450		
Due to other funds				
Unearned revenue				
Refundable deposits				
	<u>638,455</u>	<u>155,908</u>	<u>272,363</u>	<u>118,166</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue				
	<u></u>	<u></u>	<u></u>	<u></u>
<b>FUND BALANCES:</b>				
Restricted:				
Public safety				
Public works and transportation	1,105,418	1,190,104	12,630,466	849,266
Planning and building				
Economic development				
Debt service				
	<u>1,105,418</u>	<u>1,190,104</u>	<u>12,630,466</u>	<u>849,266</u>
Total Fund Balances	<u>1,105,418</u>	<u>1,190,104</u>	<u>12,630,466</u>	<u>849,266</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,743,873</u>	<u>\$1,346,012</u>	<u>\$12,902,829</u>	<u>\$967,432</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	CAPITAL PROJECTS FUND
Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Certificates of Participation	Route 238 Corridor Improvement
\$127,468	\$3,020,723	\$220,011	\$11,488,711	\$7,332,491	\$1
25,000		366,357	69,854		87,228
2,800	296,507				
			1,449,000		
					6,131,113
<u>\$155,268</u>	<u>\$3,317,230</u>	<u>\$586,368</u>	<u>\$13,007,565</u>	<u>\$7,332,491</u>	<u>\$6,218,342</u>
\$81,394	\$1,759,208	\$673		\$138,131	\$583,040
		13,370	\$10,461		986,379
		366,357			31,885
<u>81,394</u>	<u>1,759,208</u>	<u>380,400</u>	<u>10,461</u>	<u>138,131</u>	<u>1,601,304</u>
					87,228
					87,228
73,874	1,558,022				4,529,810
		205,968	12,997,104	7,194,360	
<u>73,874</u>	<u>1,558,022</u>	<u>205,968</u>	<u>12,997,104</u>	<u>7,194,360</u>	<u>4,529,810</u>
<u>\$155,268</u>	<u>\$3,317,230</u>	<u>\$586,368</u>	<u>\$13,007,565</u>	<u>\$7,332,491</u>	<u>\$6,218,342</u>

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2022

	CAPITAL PROJECTS FUNDS		
	Traffic Signal Construction	Performance Deposits	Total Nonmajor Governmental Funds
<b>ASSETS:</b>			
Cash, cash equivalents, and investments	\$1,051,625	\$334,304	\$73,732,616
Accounts receivable, net	101,818		651,192
Due from other governments			3,613,980
Interest receivable			70,217
Loans receivable			6,520,140
Land held for resale			6,131,113
	<u>\$1,153,443</u>	<u>\$334,304</u>	<u>\$90,719,258</u>
<b>LIABILITIES:</b>			
Accounts payable	\$68,282		\$5,014,196
Accrued liabilities		\$2,572	73,249
Due to other funds			1,091,840
Unearned revenue			418,415
Refundable deposits		306,249	338,134
	<u>68,282</u>	<u>308,821</u>	<u>6,935,834</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	101,818		189,982
	<u>101,818</u>		<u>189,982</u>
<b>FUND BALANCES:</b>			
Restricted:			
Public safety			355,389
Public works and transportation	983,343	25,483	35,867,902
Planning and building			22,055,961
Economic development			18,119,830
Debt service			7,194,360
	<u>983,343</u>	<u>25,483</u>	<u>83,593,442</u>
Total Fund Balances	<u>983,343</u>	<u>25,483</u>	<u>83,593,442</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,153,443</u>	<u>\$334,304</u>	<u>\$90,719,258</u>



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CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
REVENUES:				
Other taxes				
Special assessments				
Investment income	(\$25,640)	\$399,215	\$28,575	(\$271,249)
Rental income				
Intergovernmental	3,674,273	466,091		
Fines and forfeitures				
Fees and charges for services				
Other revenue	496,350	(13,871)	169,652	2,405,324
<b>Total Revenues</b>	<b>4,144,983</b>	<b>851,435</b>	<b>198,227</b>	<b>2,134,075</b>
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation	1,055,191	1,615,170		
Library and community services		148,664		
Economic development			180,160	
Maintenance services	132,139			
Capital outlay	1,777,846			
Debt service:				
Principal				
Interest and fiscal charges				
<b>Total Expenditures</b>	<b>2,965,176</b>	<b>1,763,834</b>	<b>180,160</b>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,179,807	(912,399)	18,067	2,134,075
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000			
Transfers (out)	(988,000)	(7,426)	(30,251)	
<b>Total Other Financing Sources (Uses)</b>	<b>(973,000)</b>	<b>(7,426)</b>	<b>(30,251)</b>	
NET CHANGE IN FUND BALANCES	206,807	(919,825)	(12,184)	2,134,075
BEGINNING FUND BALANCES	1,438,932	5,420,347	428,420	15,330,573
ENDING FUND BALANCES	<u>\$1,645,739</u>	<u>\$4,500,522</u>	<u>\$416,236</u>	<u>\$17,464,648</u>

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
		\$570,491			
(\$1,259)	(\$15,368)	(87,113)	(\$4,720)	\$1,427,107 (81,469)	(\$124,208)
		2,550,955			2,399,646
	226,270		220,655		
(1,259)	210,902	3,034,333	215,935	1,345,638	2,275,438
	142,851 81,597	805,747 561,685	371,540		
	8,692	661,974		1,208,020	304,698
	233,140	2,029,406	371,540	1,208,020	304,698
(1,259)	(22,238)	1,004,927	(155,605)	137,618	1,970,740
	7,000	(62,717)			
	7,000	(62,717)			
(1,259)	(15,238)	942,210	(155,605)	137,618	1,970,740
47,162	753,475	4,291,211	510,994	3,669,555	4,072,216
\$45,903	\$738,237	\$5,233,421	\$355,389	\$3,807,173	\$6,042,956

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	(\$36,162)	(\$27,839)	(\$191,734)	(\$14,091)
Rental income				
Intergovernmental	480,182	878,422	5,517,640	847,136
Fines and forfeitures				
Fees and charges for services				
Other revenue				
Total Revenues	<u>444,020</u>	<u>850,583</u>	<u>5,325,906</u>	<u>833,045</u>
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			113,911	162,072
Library and community services		1,056,911		
Economic development				
Maintenance services				
Capital outlay	800,560		4,897,480	780,165
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	<u>800,560</u>	<u>1,056,911</u>	<u>5,011,391</u>	<u>942,237</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(356,540)</u>	<u>(206,328)</u>	<u>314,515</u>	<u>(109,192)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)		(70,099)		
Total Other Financing Sources (Uses)		<u>(70,099)</u>		
NET CHANGE IN FUND BALANCES	(356,540)	(276,427)	314,515	(109,192)
BEGINNING FUND BALANCES	<u>1,461,958</u>	<u>1,466,531</u>	<u>12,315,951</u>	<u>958,458</u>
ENDING FUND BALANCES	<u><u>\$1,105,418</u></u>	<u><u>\$1,190,104</u></u>	<u><u>\$12,630,466</u></u>	<u><u>\$849,266</u></u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	CAPITAL PROJECTS FUND
Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Certificates of Participation	Route 238 Corridor Improvement
(\$416)	(\$52,039)	(\$5,927)	(\$219,483)	(\$123,539)	(\$152,153)
431,208	3,192,806	639,501			83,348
			3,462,770		569,764
10,000		100			1,443,971
440,792	3,140,767	633,674	3,243,287	(123,539)	1,944,930
399,895	1,759,208				
		628,290	1,816,303		
	3,000,000				2,167,740
				5,549,560	
				2,580,563	
399,895	4,759,208	628,290	1,816,303	8,130,123	2,167,740
40,897	(1,618,441)	5,384	1,426,984	(8,253,662)	(222,810)
				8,136,340	185,000
		(14,169)	(6,768)		
		(14,169)	(6,768)	8,136,340	185,000
40,897	(1,618,441)	(8,785)	1,420,216	(117,322)	(37,810)
32,977	3,176,463	214,753	11,576,888	7,311,682	4,567,620
\$73,874	\$1,558,022	\$205,968	\$12,997,104	\$7,194,360	\$4,529,810

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Traffic Signal Construction</u>	<u>Performance Deposits</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:			
Other taxes			\$570,491
Special assessments			1,427,107
Investment income	(\$19,861)	(\$6,750)	(1,033,230)
Rental income			722,849
Intergovernmental	550		20,438,909
Fines and forfeitures			220,655
Fees and charges for services			4,032,534
Other revenue			4,737,796
Total Revenues	<u>(19,311)</u>	<u>(6,750)</u>	<u>31,117,111</u>
EXPENDITURES:			
Current:			
Public safety			914,286
Public works and transportation			5,592,896
Library and community services			1,767,260
Economic development			2,624,753
Maintenance services			1,340,159
Capital outlay	649,916		15,049,071
Debt service:			
Principal			5,549,560
Interest and fiscal charges			2,580,563
Total Expenditures	<u>649,916</u>	<u></u>	<u>35,418,548</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(669,227)</u>	<u>(6,750)</u>	<u>(4,301,437)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	650,000		8,993,340
Transfers (out)			(1,179,430)
Total Other Financing Sources (Uses)	<u>650,000</u>	<u></u>	<u>7,813,910</u>
NET CHANGE IN FUND BALANCES	(19,227)	(6,750)	3,512,473
BEGINNING FUND BALANCES	<u>1,002,570</u>	<u>32,233</u>	<u>80,080,969</u>
ENDING FUND BALANCES	<u>\$983,343</u>	<u>\$25,483</u>	<u>\$83,593,442</u>

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CITY OF HAYWARD  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax			Community Development Block Grant Program		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		(\$25,640)	(\$25,640)		\$399,215	\$399,215
Rental income						
Intergovernmental		3,674,273	3,674,273	\$1,589,336	466,091	(1,123,245)
Fees and charges for services						
Other revenue		496,350	496,350	793,006	(13,871)	(806,877)
Total Revenues		4,144,983	4,144,983	2,382,342	851,435	(1,530,907)
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$237,563	1,055,191	(817,628)	2,730,752	1,615,170	1,115,582
Library and community services				492,136	148,664	343,472
Economic development						
Maintenance services	47,153	132,139	(84,986)			
Capital outlay	3,710,287	1,777,846	1,932,441			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	3,995,003	2,965,176	1,029,827	3,222,888	1,763,834	1,459,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,995,003)	1,179,807	5,174,810	(840,546)	(912,399)	(71,853)
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000	15,000				
Transfers (out)	(988,000)	(988,000)		(7,426)	(7,426)	
Total Other Financing Sources (Uses)	(973,000)	(973,000)		(7,426)	(7,426)	
NET CHANGE IN FUND BALANCES	(4,968,003)	206,807	5,174,810	(847,972)	(919,825)	(71,853)
BEGINNING FUND BALANCES		1,438,932			5,420,347	
ENDING FUND BALANCES		\$1,645,739			\$4,500,522	



SPECIAL REVENUE FUNDS

Housing Mortgage Revenue Bonds			Park Dedication Ordinance			Business Improvement		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$5,500	\$28,575	\$23,075		(\$271,249)	(\$271,249)		(\$1,259)	(\$1,259)
150,000	169,652	19,652	\$2,235,906	2,405,324	169,418			
155,500	198,227	42,727	2,235,906	2,134,075	(101,831)		(1,259)	(1,259)
210,266	180,160	30,106	2,638,816		2,638,816			
210,266	180,160	30,106	2,638,816		2,638,816			
(54,766)	18,067	72,833	(402,910)	2,134,075	2,536,985		(1,259)	(1,259)
(30,251)	(30,251)							
(30,251)	(30,251)							
<u>(\$85,017)</u>	<u>(12,184)</u>	<u>\$72,833</u>	<u>(\$402,910)</u>	<u>2,134,075</u>	<u>\$2,536,985</u>		<u>(1,259)</u>	<u>(\$1,259)</u>
	<u>428,420</u>			<u>15,330,573</u>			<u>47,162</u>	
	<u>\$416,236</u>			<u>\$17,464,648</u>			<u>\$45,903</u>	

(Continued)

CITY OF HAYWARD  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$502,960	\$570,491	\$67,531
Special assessments						
Investment income		(\$15,368)	(\$15,368)	4,000	(87,113)	(91,113)
Rental income						
Intergovernmental				1,217,734	2,550,955	1,333,221
Fees and charges for services						
Other revenue	\$70,000	226,270	156,270	2,500		(2,500)
Total Revenues	<u>70,000</u>	<u>210,902</u>	<u>140,902</u>	<u>1,727,194</u>	<u>3,034,333</u>	<u>1,307,139</u>
EXPENDITURES:						
Current:						
Public safety	427,919	142,851	285,068			
Public works and transportation	163,116	81,597	81,519	2,965,694	805,747	2,159,947
Library and community services				1,241,346	561,685	679,661
Economic development						
Maintenance services						
Capital outlay		8,692	(8,692)	662,000	661,974	26
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>591,035</u>	<u>233,140</u>	<u>357,895</u>	<u>4,869,040</u>	<u>2,029,406</u>	<u>2,839,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(521,035)</u>	<u>(22,238)</u>	<u>498,797</u>	<u>(3,141,846)</u>	<u>1,004,927</u>	<u>4,146,773</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,000	7,000				
Transfers (out)				(62,717)	(62,717)	
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>7,000</u>		<u>(62,717)</u>	<u>(62,717)</u>	
NET CHANGE IN FUND BALANCES	<u><u>(\$514,035)</u></u>	<u><u>(15,238)</u></u>	<u><u>\$498,797</u></u>	<u><u>(\$3,204,563)</u></u>	<u><u>942,210</u></u>	<u><u>\$4,146,773</u></u>
BEGINNING FUND BALANCES		<u>753,475</u>			<u>4,291,211</u>	
ENDING FUND BALANCES		<u><u>\$738,237</u></u>			<u><u>\$5,233,421</u></u>	

SPECIAL REVENUE FUNDS

Narcotics Asset Seizure			Park Maintenance District			Measure B Local Streets and Roads		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
			\$1,385,060	\$1,427,107	\$42,047			
	(\$4,720)	(\$4,720)	22,495	(81,469)	(103,964)		(\$124,208)	(\$124,208)
	220,655	220,655					2,399,646	2,399,646
	215,935	215,935	1,407,555	1,345,638	(61,917)		2,275,438	2,275,438
	371,540	(371,540)						
			2,114,925	1,208,020	906,905	\$5,282,066	304,698	4,977,368
	371,540	(371,540)	2,114,925	1,208,020	906,905	5,282,066	304,698	4,977,368
	(155,605)	(155,605)	(707,370)	137,618	844,988	(5,282,066)	1,970,740	7,252,806
	(155,605)	(\$155,605)	(\$707,370)	137,618	\$844,988	(\$5,282,066)	1,970,740	\$7,252,806
	510,994			3,669,555			4,072,216	
	\$355,389			\$3,807,173			\$6,042,956	

(Continued)

CITY OF HAYWARD  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS					
	Measure B Pedestrian			Measure B Paratransit		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		(\$36,162)	(\$36,162)		(\$27,839)	(\$27,839)
Rental income						
Intergovernmental		480,182	480,182	\$713,196	878,422	165,226
Fees and charges for services						
Other revenue						
Total Revenues		<u>444,020</u>	<u>444,020</u>	<u>713,196</u>	<u>850,583</u>	<u>137,387</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				2,237,934	1,056,911	1,181,023
Economic development						
Maintenance services						
Capital outlay	\$1,064,138	800,560	263,578			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>1,064,138</u>	<u>800,560</u>	<u>263,578</u>	<u>2,237,934</u>	<u>1,056,911</u>	<u>1,181,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,064,138)</u>	<u>(356,540)</u>	<u>707,598</u>	<u>(1,524,738)</u>	<u>(206,328)</u>	<u>1,318,410</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(70,099)	(70,099)	
Total Other Financing Sources (Uses)				<u>(70,099)</u>	<u>(70,099)</u>	
NET CHANGE IN FUND BALANCES	<u><u>(\$1,064,138)</u></u>	<u><u>(356,540)</u></u>	<u><u>\$707,598</u></u>	<u><u>(\$1,594,837)</u></u>	<u><u>(276,427)</u></u>	<u><u>\$1,318,410</u></u>
BEGINNING FUND BALANCES		<u>1,461,958</u>			<u>1,466,531</u>	
ENDING FUND BALANCES		<u><u>\$1,105,418</u></u>			<u><u>\$1,190,104</u></u>	

SPECIAL REVENUE FUNDS

Measure BB			Measure F			Local Grants		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	(\$191,734)	(\$191,734)		(\$14,091)	(\$14,091)		(\$416)	(\$416)
\$985,415	5,517,640	4,532,225		847,136	847,136	\$633,391	431,208	(202,183)
							10,000	10,000
<u>985,415</u>	<u>5,325,906</u>	<u>4,340,491</u>		<u>833,045</u>	<u>833,045</u>	<u>633,391</u>	<u>440,792</u>	<u>(192,599)</u>
						840,070	399,895	440,175
3,776,610	113,911	3,662,699	\$850,000	162,072	687,928			
11,222,276	4,897,480	6,324,796	997,491	780,165	217,326			
<u>14,998,886</u>	<u>5,011,391</u>	<u>9,987,495</u>	<u>1,847,491</u>	<u>942,237</u>	<u>905,254</u>	<u>840,070</u>	<u>399,895</u>	<u>440,175</u>
<u>(14,013,471)</u>	<u>314,515</u>	<u>14,327,986</u>	<u>(1,847,491)</u>	<u>(109,192)</u>	<u>1,738,299</u>	<u>(206,679)</u>	<u>40,897</u>	<u>247,576</u>
<u>(\$14,013,471)</u>	<u>314,515</u>	<u>\$14,327,986</u>	<u>(\$1,847,491)</u>	<u>(109,192)</u>	<u>\$1,738,299</u>	<u>(\$206,679)</u>	<u>40,897</u>	<u>\$247,576</u>
	<u>12,315,951</u>			<u>958,458</u>			<u>32,977</u>	
	<u>\$12,630,466</u>			<u>\$849,266</u>			<u>\$73,874</u>	

(Continued)

CITY OF HAYWARD  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS					
	RRAA (SB1)			Rental Housing Program		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		(\$52,039)	(\$52,039)		(\$5,927)	(\$5,927)
Rental income				\$550,000	639,501	89,501
Intergovernmental		3,192,806	3,192,806			
Fees and charges for services						
Other revenue					100	100
Total Revenues		<u>3,140,767</u>	<u>3,140,767</u>	<u>550,000</u>	<u>633,674</u>	<u>83,674</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$2,900,000	1,759,208	1,140,792			
Library and community services						
Economic development				611,038	628,290	(17,252)
Maintenance services						
Capital outlay	3,000,000	3,000,000				
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>5,900,000</u>	<u>4,759,208</u>	<u>1,140,792</u>	<u>611,038</u>	<u>628,290</u>	<u>(17,252)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,900,000)</u>	<u>(1,618,441)</u>	<u>4,281,559</u>	<u>(61,038)</u>	<u>5,384</u>	<u>66,422</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				14,169	(14,169)	(28,338)
Total Other Financing Sources (Uses)				<u>14,169</u>	<u>(14,169)</u>	<u>(28,338)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$5,900,000)</u></u>	<u>(1,618,441)</u>	<u><u>\$4,281,559</u></u>	<u><u>(\$46,869)</u></u>	<u>(8,785)</u>	<u><u>\$38,084</u></u>
BEGINNING FUND BALANCES		<u>3,176,463</u>			<u>214,753</u>	
ENDING FUND BALANCES		<u><u>\$1,558,022</u></u>			<u><u>\$205,968</u></u>	

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		
Affordable Housing			Certificates of Participation			Route 238 Corridor Improvement		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	(\$219,483)	(\$219,483)	\$3,000	(\$123,539)	(\$126,539)		(\$152,153) 83,348	(\$152,153) 83,348
	3,462,770	3,462,770					569,764 1,443,971	569,764 1,443,971
	<u>3,243,287</u>	<u>3,243,287</u>	<u>3,000</u>	<u>(123,539)</u>	<u>(126,539)</u>		<u>1,944,930</u>	<u>1,944,930</u>
\$10,227,982	1,816,303	8,411,679						
						\$20,180,087	2,167,740	18,012,347
			5,558,260 <u>2,578,380</u>	5,549,560 <u>2,580,563</u>	8,700 <u>(2,183)</u>			
<u>10,227,982</u>	<u>1,816,303</u>	<u>8,411,679</u>	<u>8,136,640</u>	<u>8,130,123</u>	<u>6,517</u>	<u>20,180,087</u>	<u>2,167,740</u>	<u>18,012,347</u>
<u>(10,227,982)</u>	<u>1,426,984</u>	<u>11,654,966</u>	<u>(8,133,640)</u>	<u>(8,253,662)</u>	<u>(120,022)</u>	<u>(20,180,087)</u>	<u>(222,810)</u>	<u>19,957,277</u>
<u>(6,768)</u>	<u>(6,768)</u>		8,136,340	8,136,340		185,000	185,000	
<u>(6,768)</u>	<u>(6,768)</u>		8,136,340	8,136,340		185,000	185,000	
<u>(\$10,234,750)</u>	1,420,216	<u>\$11,654,966</u>	<u>\$2,700</u>	(117,322)	<u>(\$120,022)</u>	<u>(\$19,995,087)</u>	(37,810)	<u>\$19,957,277</u>
	<u>11,576,888</u>			<u>7,311,682</u>			<u>4,567,620</u>	
	<u>\$12,997,104</u>			<u>\$7,194,360</u>			<u>\$4,529,810</u>	

(Continued)

CITY OF HAYWARD  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CAPITAL PROJECTS FUNDS			
Traffic Signal Construction			
	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:			
Other taxes			
Special assessments			
Investment income		(\$19,861)	(\$19,861)
Rental income			
Intergovernmental		550	550
Fees and charges for services			
Other revenue			
Total Revenues	2,196,205	649,916	1,546,289
EXPENDITURES:			
Current:			
Public safety			
Public works and transportation			
Library and community services			
Economic development			
Maintenance services			
Capital outlay	\$2,196,205	649,916	1,546,289
Debt Service			
Principal			
Interest and fiscal charges			
Total Expenditures	2,196,205	649,916	1,546,289
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,196,205)	(669,227)	1,526,978
OTHER FINANCING SOURCES (USES)			
Transfers in	650,000	650,000	
Transfers (out)			
Total Other Financing Sources (Uses)	650,000	650,000	
NET CHANGE IN FUND BALANCES	(\$1,546,205)	(19,227)	\$1,526,978
BEGINNING FUND BALANCES		1,002,570	
ENDING FUND BALANCES		\$983,343	



## **NON-MAJOR ENTERPRISE FUNDS**

*Stormwater Fund* – Accounts for activities with stormwater management and urban runoff control, as required by Federal and State law.

*Recycling Fund* – Accounts for the transactions related to the City’s recycling and waste reduction programs.

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF NET POSITION  
JUNE 30, 2022

	<u>Stormwater</u>	<u>Recycling</u>	<u>Totals</u>
<b>Current Assets:</b>			
Cash and investments	\$7,231,770		\$7,231,770
Accounts receivable, net	1,762,781	\$28,390	1,791,171
Due from other governments	10,561		10,561
Deposits, parts, supplies and other			
Total Current Assets	<u>9,005,112</u>	<u>28,390</u>	<u>9,033,502</u>
<b>Noncurrent Assets:</b>			
Capital assets			
Land			
Construction in progress			
Depreciable capital assets, net	418		418
Total Noncurrent Assets	<u>418</u>		<u>418</u>
Total Assets	<u>9,005,530</u>	<u>28,390</u>	<u>9,033,920</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	232,776	22,973	255,749
Related to OPEB	257,584	25,421	283,005
Total Deferred Outflows of Resources	<u>490,360</u>	<u>48,394</u>	<u>538,754</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts payable	26,009	1,131	27,140
Accrued interest			
Accrued liabilities	69,005	3,447	72,452
Refundable deposits			
Due to other funds		329,813	329,813
Compensated absences, due within one year	83,189		83,189
Long term debt, due within one year			
Total Current Liabilities	<u>178,203</u>	<u>334,391</u>	<u>512,594</u>
<b>Noncurrent Liabilities:</b>			
Compensated absences, due in more than one year	29,169		29,169
Net pension liabilities, due in more than one year	1,736,567	171,383	1,907,950
Net OPEB liabilities, due in more than one year	1,008,002	99,481	1,107,483
Long term debt, due in more than one year			
Total Noncurrent Liabilities	<u>2,773,738</u>	<u>270,864</u>	<u>3,044,602</u>
Total Liabilities	<u>2,951,941</u>	<u>605,255</u>	<u>3,557,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	547,214	54,005	601,219
Related to OPEB	460,878	45,485	506,363
Total Deferred Inflows of Resources	<u>1,008,092</u>	<u>99,490</u>	<u>1,107,582</u>
<b>NET POSITION:</b>			
Net investments in capital assets	418		418
Unrestricted	5,535,439	(627,961)	4,907,478
Total Net Position	<u>\$5,535,857</u>	<u>(\$627,961)</u>	<u>\$4,907,896</u>

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Stormwater</u>	<u>Recycling</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for services	\$3,572,696	\$104,027	\$3,676,723
Miscellaneous	46,200		46,200
Total Operating Revenues	<u>3,618,896</u>	<u>104,027</u>	<u>3,722,923</u>
OPERATING EXPENSES:			
Salaries and related expenses	1,930,638	224,185	2,154,823
Materials, supplies and services	714,043	16,015	730,058
Repairs and maintenance	13,909		13,909
Depreciation	165		165
Total Operating Expenses	<u>2,658,755</u>	<u>240,200</u>	<u>2,898,955</u>
Operating Income (Loss)	<u>960,141</u>	<u>(136,173)</u>	<u>823,968</u>
NONOPERATING REVENUES:			
Investment income	(143,762)	(10,442)	(154,204)
Net Nonoperating Revenues	<u>(143,762)</u>	<u>(10,442)</u>	<u>(154,204)</u>
Income (Loss) Before Contributions and Transfers	<u>816,379</u>	<u>(146,615)</u>	<u>669,764</u>
TRANSFERS			
Transfers in	1,841,000	600,000	2,441,000
Transfers (out)	(248,798)	(802,996)	(1,051,794)
Net Transfers	<u>1,592,202</u>	<u>(202,996)</u>	<u>1,389,206</u>
CHANGE IN NET POSITION	2,408,581	(349,611)	2,058,970
BEGINNING NET POSITION	<u>3,127,276</u>	<u>(278,350)</u>	<u>2,848,926</u>
ENDING NET POSITION	<u>\$5,535,857</u>	<u>(\$627,961)</u>	<u>\$4,907,896</u>

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Stormwater</u>	<u>Recycling</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$3,599,047	\$104,027	\$3,703,074
Payments to suppliers	(732,478)	(13,438)	(745,916)
Payments to employees	(2,089,331)	(70,913)	(2,160,244)
Net Cash Flows From Operating Activities	<u>777,238</u>	<u>19,676</u>	<u>796,914</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Interfund receipts		193,762	193,762
Transfers in	1,841,000	600,000	2,441,000
Transfers (out)	(248,798)	(802,996)	(1,051,794)
Net Cash Flows From Noncapital and Related Financing Activities	<u>1,592,202</u>	<u>(9,234)</u>	<u>1,582,968</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets			
Principal payments on capital debt			
Interest paid on capital debt			
Net Cash Flows From Capital and Related Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	(143,762)	(10,442)	(154,204)
Net Cash Flows From Investing Activities	<u>(143,762)</u>	<u>(10,442)</u>	<u>(154,204)</u>
<b>NET CASH FLOWS</b>	2,225,678		2,225,678
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>5,006,092</u>		<u>5,006,092</u>
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<u>\$7,231,770</u>		<u>\$7,231,770</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$960,141	(\$136,173)	\$823,968
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	165		165
Change in assets and liabilities:			
Receivables, net	(19,277)	36,836	17,559
Due from other governments	(572)		(572)
Accounts payable and other accrued expenses	(4,526)	2,577	(1,949)
Due to retirement system	(61,375)	78,601	17,226
Due to OPEB	(95,300)	37,835	(57,465)
Compensated absences	(2,018)		(2,018)
Net Cash Flows From Operating Activities	<u>\$777,238</u>	<u>\$19,676</u>	<u>\$796,914</u>

## INTERNAL SERVICE FUNDS

Internal service funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

*Workers' Compensation Insurance Fund* – Accounts for workers' compensation reimbursable costs.

*General Liability Fund* – Accounts for risk management expenses and self-insurance costs.

*Facilities Management Fund* – Accounts for operation, maintenance and replacement of City Hall and other city-owned buildings.

*Fleet Management Fund* – Accounts for operation, maintenance and replacement of vehicles.

*Technology Services Fund* – Accounts for operation, maintenance and replacement of Technology infrastructure and resources.

*Employee Benefits Fund* – Accounts for funding related to Other Post Employment Benefits (OPEB) and payments for the retiree medical stipends.

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET POSITION  
JUNE 30, 2022

	Workers' Compensation Insurance*	General Liability	Facilities Management
<b>ASSETS:</b>			
Current Assets:			
Cash and investments	\$33,550,294	\$5,001,781	\$1,799,381
Accounts receivable, net	189,210	1,694	22,713
Deposits, parts, supplies and other	200,000		
Due from other governments			
Total Current Assets	<u>33,939,504</u>	<u>5,003,475</u>	<u>1,822,094</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			435,698
Depreciable capital assets, net			2,400,921
Total Noncurrent Assets		<u>27,021</u>	<u>3,209,367</u>
Total Assets	<u>33,939,504</u>	<u>5,030,496</u>	<u>5,031,461</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to pensions	81,534	65,089	240,201
Related to OPEB	90,224	72,026	265,800
Total Deferred Outflows of Resources	<u>171,758</u>	<u>137,115</u>	<u>506,001</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	39,962	854,790	482,828
Accrued interest			
Accrued liabilities*	13,815,275	7,496,147	61,146
Unearned revenue	3,800		907
Refundable deposits			5,937
Compensated absences, due within one year	21,636	39,801	114,271
Long-term debt, due within one year			
Total Current Liabilities	<u>13,880,673</u>	<u>8,390,738</u>	<u>665,089</u>
Noncurrent Liabilities:			
Compensated absences, due in more than one year	5,052	9,293	26,682
Net pension liabilities, due in more than one year	608,262	485,580	1,791,955
Net OPEB liabilities, due in more than one year	353,071	281,859	1,040,154
Long-term debt, due in more than one year			
Total Noncurrent Liabilities	<u>966,385</u>	<u>776,732</u>	<u>2,858,791</u>
Total Liabilities	<u>14,847,058</u>	<u>9,167,470</u>	<u>3,523,880</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pensions	191,673	153,013	564,668
Related to OPEB	161,431	128,871	475,578
Total Deferred Inflows of Resources	<u>353,104</u>	<u>281,884</u>	<u>1,040,246</u>
<b>NET POSITION:</b>			
Net investments in capital assets			3,209,367
Unrestricted	18,911,100	(4,281,743)	(2,236,031)
Total Net Position	<u>\$18,911,100</u>	<u>(\$4,281,743)</u>	<u>\$973,336</u>

\* Accrued liabilities balance in Workers' Compensation Insurance Fund includes the ultimate cost of all reported and unreported claims as required by GASB Standard number 10.

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$7,003,401	\$5,965,994	\$4,498,398	\$57,819,249
271,355	74,652		559,624
76,855			276,855
4,554			4,554
<u>7,356,165</u>	<u>6,040,646</u>	<u>4,498,398</u>	<u>58,660,282</u>
			27,021
			372,748
176,992			612,690
<u>15,515,792</u>	<u>3,750,357</u>		<u>21,667,070</u>
<u>15,692,784</u>	<u>3,750,357</u>		<u>22,679,529</u>
<u>23,048,949</u>	<u>9,791,003</u>	<u>4,498,398</u>	<u>81,339,811</u>
			953,736
221,061	345,851		1,055,382
244,621	382,711		
<u>465,682</u>	<u>728,562</u>		<u>2,009,118</u>
520,754	633,637	7,273	2,539,244
3,631			3,631
82,624	129,370		21,584,562
7,071	12,418		24,196
			5,937
84,590	304,744		565,042
227,551			227,551
<u>926,221</u>	<u>1,080,169</u>	<u>7,273</u>	<u>24,950,163</u>
19,751	71,156		131,934
1,649,166	2,580,142		7,115,105
957,272	1,497,659		4,130,015
378,788			378,788
<u>3,004,977</u>	<u>4,148,957</u>		<u>11,755,842</u>
<u>3,931,198</u>	<u>5,229,126</u>	<u>7,273</u>	<u>36,706,005</u>
519,674	813,031		2,242,059
437,683	684,759		1,888,322
<u>957,357</u>	<u>1,497,790</u>		<u>4,130,381</u>
15,086,445	3,750,357		22,046,169
3,539,631	42,292	4,491,125	20,466,374
<u>\$18,626,076</u>	<u>\$3,792,649</u>	<u>\$4,491,125</u>	<u>\$42,512,543</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022

	Workers' Compensation Insurance	General Liability	Facilities Management
<b>OPERATING REVENUES</b>			
Charges for services	\$10,257,168		\$4,438,284
Other		\$33,735	199,541
<b>Total Operating Revenues</b>	<b>10,257,168</b>	<b>33,735</b>	<b>4,637,825</b>
<b>OPERATING EXPENSES</b>			
Salaries and related expenses	762,941	832,414	2,405,623
Materials, supplies and services	596,182	5,381,452	2,054,094
Repairs and maintenance			1,047,740
Self-funded insurance expense	3,621,500	794,731	
Depreciation			122,594
<b>Total Operating Expenses</b>	<b>4,980,623</b>	<b>7,008,597</b>	<b>5,630,051</b>
<b>Operating Income (Loss)</b>	<b>5,276,545</b>	<b>(6,974,862)</b>	<b>(992,226)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	(678,734)	(99,974)	(36,031)
Interest (expense)			
Gain (loss) on sale of capital assets			
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(678,734)</b>	<b>(99,974)</b>	<b>(36,031)</b>
<b>Income (Loss) Before Transfers</b>	<b>4,597,811</b>	<b>(7,074,836)</b>	<b>(1,028,257)</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Transfers in		5,705,405	1,271,625
Transfers (out)	(42,883)	(18,801)	(101,528)
<b>Net Contributions and Transfers</b>	<b>(42,883)</b>	<b>5,686,604</b>	<b>1,170,097</b>
<b>CHANGE IN NET POSITION</b>	<b>4,554,928</b>	<b>(1,388,232)</b>	<b>141,840</b>
<b>BEGINNING NET POSITION (DEFICIT)</b>	<b>14,356,172</b>	<b>(2,893,511)</b>	<b>831,496</b>
<b>ENDING NET POSITION (DEFICIT)</b>	<b>\$18,911,100</b>	<b>(\$4,281,743)</b>	<b>\$973,336</b>



<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$5,859,499	\$7,446,973	\$3,650,510	\$31,652,434
49,208	890,399	11,750	1,184,633
<u>5,908,707</u>	<u>8,337,372</u>	<u>3,662,260</u>	<u>32,837,067</u>
1,957,167	2,707,990		8,666,135
866,023	3,207,882	758,114	12,863,747
1,277,257	1,714,302		4,039,299
	1,888	6,867,729	11,285,848
<u>2,537,373</u>	<u>366,329</u>		<u>3,026,296</u>
<u>6,637,820</u>	<u>7,998,391</u>	<u>7,625,843</u>	<u>39,881,325</u>
<u>(729,113)</u>	<u>338,981</u>	<u>(3,963,583)</u>	<u>(7,044,258)</u>
(145,897)	(111,595)	(77,805)	(1,150,036)
(21,323)			(21,323)
<u>64,112</u>	<u>(26,847)</u>		<u>37,265</u>
<u>(103,108)</u>	<u>(138,442)</u>	<u>(77,805)</u>	<u>(1,134,094)</u>
<u>(832,221)</u>	<u>200,539</u>	<u>(4,041,388)</u>	<u>(8,178,352)</u>
650,000	1,416,117	4,278,529	13,321,676
<u>(141,815)</u>	<u>(218,675)</u>		<u>(523,702)</u>
<u>508,185</u>	<u>1,197,442</u>	<u>4,278,529</u>	<u>12,797,974</u>
(324,036)	1,397,981	237,141	4,619,622
<u>18,950,112</u>	<u>2,394,668</u>	<u>4,253,984</u>	<u>37,892,921</u>
<u>\$18,626,076</u>	<u>\$3,792,649</u>	<u>\$4,491,125</u>	<u>\$42,512,543</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2022

	Workers' Compensation Insurance	General Liability	Facilities Management
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$10,364,403	\$33,735	\$4,617,435
Payments to suppliers	(4,050,637)	(5,030,293)	(2,917,546)
Payments to employees	(701,463)	(967,136)	(1,879,941)
Cash Flows from Operating Activities	<u>5,612,303</u>	<u>(5,963,694)</u>	<u>(180,052)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in		5,705,405	1,271,625
Transfers out	(42,883)	(18,801)	(101,528)
Cash Flows from Noncapital Financing Activities	<u>(42,883)</u>	<u>5,686,604</u>	<u>1,170,097</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets			(435,174)
Proceeds from sale of capital assets			
Principal payments on capital debt			
Interest paid on capital debt			
Cash Flows from Capital and Related Financing Activities			<u>(435,174)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income - loss in fair value	(678,734)	(99,974)	(36,031)
Cash Flows from Investing Activities	<u>(678,734)</u>	<u>(99,974)</u>	<u>(36,031)</u>
Net increase (decrease) in cash and cash equivalents	4,890,686	(377,064)	518,840
Cash and cash equivalents at beginning of period	28,659,608	5,378,845	1,280,541
Cash and cash equivalents at end of period	<u>\$33,550,294</u>	<u>\$5,001,781</u>	<u>\$1,799,381</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$5,276,545	(\$6,974,862)	(\$992,226)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			122,594
Change in assets and liabilities:			
Receivables, net	307,235		(16,697)
Deposits, parts, supplies and other	(200,000)		
Due from other governments			
Accounts payable and other accrued expenses	167,045	1,145,890	184,288
Due to retirement system	55,391	(74,085)	358,676
Due to OPEB	15,635	(60,513)	160,783
Compensated absences	(9,548)	(124)	6,223
Unearned revenue			(3,693)
Cash Flows from Operating Activities	<u>\$5,612,303</u>	<u>(5,963,694)</u>	<u>(\$180,052)</u>
<b>NON-CASH TRANSACTIONS:</b>			
Retirement of capital assets			

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$5,656,932	\$8,340,029	\$3,662,260	\$32,674,794
(2,281,185)	(4,878,270)	(7,625,760)	(26,783,691)
<u>(1,776,444)</u>	<u>(4,314,625)</u>		<u>(9,639,609)</u>
<u>1,599,303</u>	<u>(852,866)</u>	<u>(3,963,500)</u>	<u>(3,748,506)</u>
650,000	1,416,117	4,278,529	13,321,676
<u>(141,815)</u>	<u>(218,675)</u>		<u>(523,702)</u>
<u>508,185</u>	<u>1,197,442</u>	<u>4,278,529</u>	<u>12,797,974</u>
(2,210,960)	(347,660)		(2,993,794)
(220,936)			(220,936)
<u>(22,884)</u>			<u>(22,884)</u>
<u>(2,454,780)</u>	<u>(347,660)</u>		<u>(3,237,614)</u>
<u>(145,897)</u>	<u>(111,595)</u>	<u>(77,805)</u>	<u>(1,150,036)</u>
<u>(145,897)</u>	<u>(111,595)</u>	<u>(77,805)</u>	<u>(1,150,036)</u>
(493,189)	(114,679)	237,224	4,661,818
<u>7,496,590</u>	<u>6,080,673</u>	<u>4,261,174</u>	<u>53,157,431</u>
<u>\$7,003,401</u>	<u>\$5,965,994</u>	<u>\$4,498,398</u>	<u>\$57,819,249</u>
(\$729,113)	\$338,981	(\$3,963,583)	(\$7,044,258)
2,537,373	366,329		3,026,296
(263,024)	2,657		30,171
(76,855)			(276,855)
88,104			88,104
(137,905)	45,802	83	1,405,203
143,779	(930,739)		(446,978)
38,032	(655,751)		(501,814)
(1,088)	(20,145)		(24,682)
			<u>(3,693)</u>
<u>\$1,599,303</u>	<u>(\$852,866)</u>	<u>(\$3,963,500)</u>	<u>(\$3,748,506)</u>
<u>\$64,112</u>	<u>(\$26,847)</u>		<u>\$37,265</u>

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## **CUSTODIAL FUNDS**

Custodial Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

*Local Improvement Districts Fund* – Accounts for debt service activities for LIDs #14, #15, #16, #17 and Community Facilities District #1. The City has no commitment for the repayment of these Districts' debt.

*South Hayward BART Parking District JPA* – Account for related revenues and expenditures related to the Joint Powers Authority agreement between the City and Bay Area Rapid Transit (BART) for the purpose of providing parking access around the South Hayward BART station.

*Other Agency Funds* – Accounts for activities of Hayward Coalition for Youth and the Hayward Friends of the Library Fund.

CITY OF HAYWARD  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022

	Custodial Funds			Total
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	
<b>ASSETS:</b>				
Cash and investments	\$3,740,821	\$907,248	\$208,792	\$4,856,861
Cash and investments with fiscal agents	353,913			353,913
Accounts receivable, net	3,053	1,057,873		1,060,926
Due from other governments	83,593		366	83,959
Deposits, parts, supplies and other	201,524			201,524
<b>Total Assets</b>	<b>4,382,904</b>	<b>1,965,121</b>	<b>209,158</b>	<b>6,557,183</b>
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued liabilities	183,679	45,538		229,217
Deferred revenue	79,988	1,057,873		1,137,861
Refundable deposits	34,536		11,393	45,929
<b>Total Liabilities</b>	<b>298,203</b>	<b>1,103,411</b>	<b>11,393</b>	<b>1,413,007</b>
<b>NET POSITION</b>				
Restricted for:				
Organizations and other governments		861,710	197,765	1,059,475
Bondholders	4,084,701			4,084,701
<b>Total Net Position</b>	<b>\$4,084,701</b>	<b>\$861,710</b>	<b>\$197,765</b>	<b>\$5,144,176</b>

CITY OF HAYWARD  
 COMBINING STATEMENT OF CHANGES IN CUSTODIAL FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Funds			Total
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	
<b>ADDITIONS</b>				
Property tax	\$1,107,050			\$1,107,050
Special assessment			\$176,333	176,333
Intergovernmental revenue			41,396	41,396
Other revenue			18,445	18,445
Investment income	(74,463)	(\$18,371)	(3,178)	(96,012)
Total additions	1,032,587	(18,371)	232,996	1,247,212
<b>DEDUCTIONS</b>				
Maintenance services	491,136	5,052		496,188
Contractual services		45,538	57,040	102,578
Payments to bondholders	362,762			362,762
Interest and fiscal charges	202,126			202,126
Total deductions	1,056,024	50,590	57,040	1,163,654
Net change in position	(23,437)	(68,961)	175,956	83,558
Net position - beginning	4,108,138	930,671	21,809	5,060,618
Net position - ending	\$4,084,701	\$861,710	\$197,765	\$5,144,176

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# ***STATISTICAL SECTION***

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## STATISTICAL SECTION

The statistical section of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. This section provides a history of the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

### ***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage Wastewater Revenue Bonds
5. Bonded Debt Pledged Revenue Coverage, Tax Allocation Bonds

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

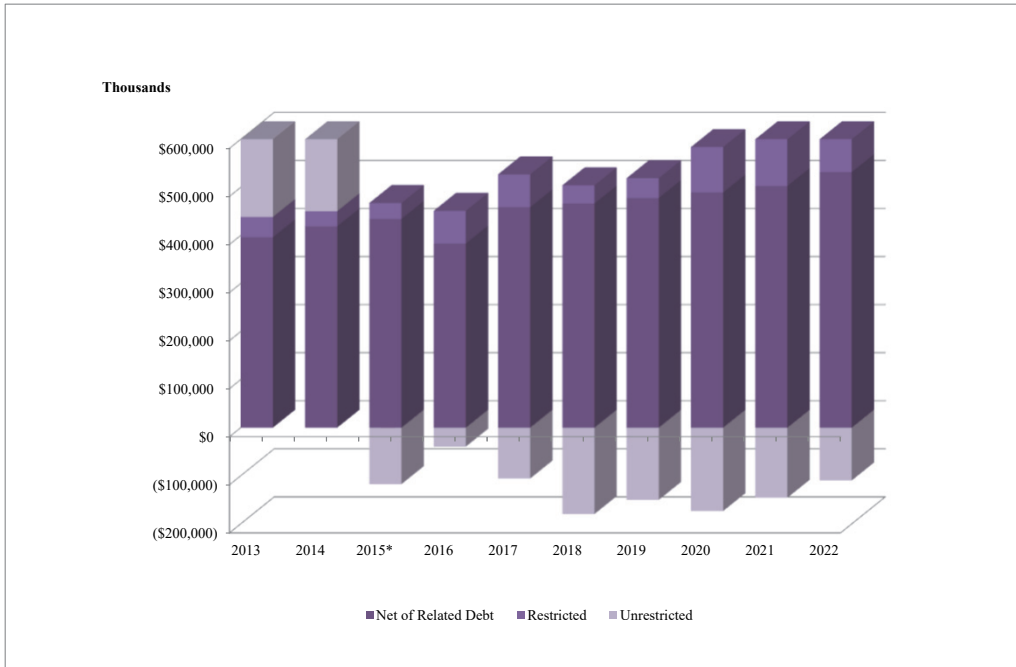
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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**CITY OF HAYWARD**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**



\* To comply with GASB 68 an adjustment was made to the City's total unrestricted net position, decreasing it by \$311,685,673 in FY 2015. The negative Net Position offsets the Net Pension Liabilities of \$284,150,333.

	Fiscal Year Ended June 30,									
	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$279,525,198	\$290,077,936	\$305,320,098	\$254,986,441	\$324,056,697	\$324,408,453	\$329,532,552	\$340,992,711	\$357,492,270	\$385,787,176
Restricted	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,077,986	117,664,651	121,721,287
Unrestricted	33,214,883	43,176,179	(257,512,639)	(195,715,585)	(266,000,254)	(327,597,600)	(322,106,063)	(373,531,268)	(368,801,977)	(343,965,833)
Total governmental activities net position	<u>\$354,964,591</u>	<u>\$364,636,314</u>	<u>\$80,829,204</u>	<u>\$127,316,808</u>	<u>\$126,487,468</u>	<u>\$34,606,558</u>	<u>\$48,545,884</u>	<u>\$61,539,429</u>	<u>\$106,354,944</u>	<u>\$163,542,630</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$116,593,166	\$128,869,837	\$129,150,393	\$128,152,757	\$134,479,298	\$141,998,213	\$148,443,353	\$148,432,952	\$145,334,998	\$145,781,120
Restricted	0	0	0	0	0	0	0	284,001	2	2
Unrestricted	140,296,857	143,368,162	140,262,979	156,403,925	160,313,212	148,088,671	172,060,648	200,188,102	223,235,836	234,270,711
Total business-type activities net position	<u>\$256,890,023</u>	<u>\$272,237,999</u>	<u>\$269,413,372</u>	<u>\$284,556,682</u>	<u>\$294,792,510</u>	<u>\$290,086,884</u>	<u>\$320,504,001</u>	<u>\$348,905,055</u>	<u>\$368,570,836</u>	<u>\$380,051,833</u>
<b>Primary government</b>										
Net investment in capital assets	\$396,118,364	\$418,947,773	\$434,470,491	\$383,139,198	\$458,535,995	\$466,406,666	\$477,975,905	\$489,425,663	\$502,827,268	\$531,568,296
Restricted	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,361,987	117,664,653	121,721,289
Unrestricted	173,511,740	186,544,341	(117,249,660)	(39,311,660)	(105,687,042)	(179,508,929)	(150,045,415)	(173,343,166)	(145,566,141)	(109,695,122)
Total primary government net position	<u>\$611,854,614</u>	<u>\$636,874,313</u>	<u>\$350,242,576</u>	<u>\$411,873,490</u>	<u>\$421,279,978</u>	<u>\$324,693,442</u>	<u>\$369,049,885</u>	<u>\$410,444,484</u>	<u>\$474,925,780</u>	<u>\$543,594,463</u>

**CITY OF HAYWARD**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental Activities:				
General Government	\$11,162,908	\$11,989,512	\$16,245,827	\$14,192,819
Public Safety	100,470,925	102,494,680	106,541,527	118,423,530
Public Works and Transportation	13,689,585	8,851,489	12,295,579	14,414,107
Library and Community Services	7,490,405	8,073,175	5,150,554	9,047,644
Economic Development	1,285,830	1,432,514	835,342	1,762,937
Planning and Building	6,102,300	6,293,037	6,831,521	7,281,726
Maintenance Services	3,896,951	4,790,594	5,798,009	6,156,886
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	2,056,984	1,131,490	1,400,778	1,490,140
Total Governmental Activities Expenses	<u>146,155,888</u>	<u>145,056,491</u>	<u>155,099,137</u>	<u>172,769,788</u>
Business-Type Activities:				
Sewer	19,127,813	17,443,979	19,967,350	23,757,316
Water	38,837,206	38,252,368	36,953,171	38,253,454
Airport	3,252,108	3,443,655	3,489,917	3,976,602
Centennial Hall Maintenance and Operation				
Stormwater	2,402,138	2,419,567	2,373,574	3,042,678
Recycling				
Total Business-Type Activities Expenses	<u>63,619,265</u>	<u>61,559,569</u>	<u>62,784,012</u>	<u>69,030,050</u>
Total Primary Government Expenses	<u>\$209,775,153</u>	<u>\$206,616,060</u>	<u>\$217,883,149</u>	<u>\$241,799,838</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$2,505,144	\$3,348,209	\$3,404,484	\$3,513,507
Public Safety	3,308,573	3,332,950	3,311,997	3,585,912
Public Works and Transportation	3,780,364	4,121,654	4,966,061	5,620,367
Library and Community Services	95,682	85,256	116,787	1,312,128
Economic Development		2,749,344	1,292,172	
Planning and Building	3,541,420	5,026,469	4,536,430	6,060,654
Maintenance Services	710,653	1,243,660	1,504,197	1,088,664
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	6,998,650	7,634,799	10,587,001	13,611,989
Capital Grants and Contributions	26,479,205	9,066,354	5,807,599	31,255,350
Total Government Activities Program Revenues	<u>47,419,691</u>	<u>36,608,695</u>	<u>35,526,728</u>	<u>66,048,571</u>

\* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.  
Source: City of Hayward Annual Comprehensive Financial Report

Fiscal Year Ended June 30,

2017	2018	2019	2020	2021	2022
\$16,158,933	\$36,743,529	\$26,842,761	\$30,267,967	\$24,801,183	\$19,288,029
128,069,028	136,621,829	130,098,500	128,620,640	139,350,883	120,120,829
25,599,837	24,077,319	26,136,150	22,129,650	26,493,672	25,616,470
7,056,242	10,673,935	10,026,345	10,983,659	11,444,270	12,359,104
152,175	1,480,505	2,177,009	2,565,850	2,981,340	6,672,124
8,628,739	11,093,298	10,688,978	10,662,520	10,430,293	10,485,538
8,288,824	11,482,643	11,993,462	12,156,273	12,442,998	12,539,476
3,078,848	3,238,555	2,863,705	2,784,563	2,551,130	2,320,830
197,032,626	235,411,613	220,826,910	220,171,122	230,495,769	209,402,400
22,755,149	19,762,825	22,065,651	20,147,930	21,928,468	23,143,122
46,225,355	52,084,024	46,827,858	47,714,898	49,135,479	48,798,451
6,348,333	4,236,680	4,045,984	3,755,558	3,428,349	4,299,086
2,450,088	2,817,649	2,793,121	2,784,429	2,727,484	2,658,755
			16,514	283,369	240,200
77,778,925	78,901,178	75,732,614	74,419,329	77,503,149	79,139,614
\$274,811,551	\$314,312,791	\$296,559,524	\$294,590,451	\$307,998,918	\$288,542,014
\$2,627,359	\$3,920,063	\$3,328,124	\$4,220,061	\$2,491,348	\$2,237,533
4,638,881	4,859,695	4,837,363	4,240,808	3,537,739	2,469,328
7,009,479	6,019,771	6,061,761	4,894,838	5,505,441	5,909,251
2,537,062	317,596	3,101,839	885,787	3,919,571	2,341,288
			544,108	520,189	2,653,271
6,926,489	6,294,675	7,052,017	5,479,966	5,751,306	6,237,845
1,488,851	1,555,141	1,652,433	1,489,507	1,682,246	2,120,249
11,984,727	10,626,753	14,868,015	14,757,617	29,517,552	34,655,418
1,463,593	2,472,715	4,831,794	5,780,882	5,395,405	3,594,521
38,676,441	36,066,409	45,733,346	42,293,574	58,320,797	62,218,704

**CITY OF HAYWARD**  
**Changes in Net Position**  
**(continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Business-Type Activities:				
Charges for Services:				
Sewer	22,136,846	25,527,904	28,389,311	33,557,099
Water	43,128,089	47,045,822	44,704,910	46,264,199
Airport	2,963,971	3,365,514	2,995,362	3,239,400
Centennial Hall Maintenance & Operation				
Stormwater	2,821,653	2,777,228	2,832,703	2,894,801
Recycling				
Operating Grants and Contributions	88,916			
Capital Grants and Contributions				
Total Business-Type Activities Program Revenue	<u>71,139,475</u>	<u>78,716,468</u>	<u>78,922,286</u>	<u>85,955,499</u>
Total Primary Government Program Revenues	<u>\$118,559,166</u>	<u>\$115,325,163</u>	<u>\$114,449,014</u>	<u>\$152,004,070</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$98,736,197)	(\$108,447,796)	(\$119,572,409)	(\$106,721,218)
Business-Type Activities	<u>7,520,210</u>	<u>17,156,899</u>	<u>16,138,274</u>	<u>16,925,449</u>
Total Primary Government Net Expense	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>
Total Primary Government Net Expense from prior page	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$39,297,973	\$39,456,863	\$42,740,159	\$44,750,688
Incremental Property Tax				
Special Assessments				
Sales Taxes	29,197,989	31,019,079	39,148,631	46,495,377
Utility Users Tax	14,939,639	15,761,544	15,680,721	22,040,616
Real Property Transfer Tax	4,595,640	4,878,857	5,710,272	7,849,464
Franchise Tax	9,687,980	9,488,631	10,127,647	10,139,140
Business Tax	2,548,248	2,649,279	2,634,539	2,603,305
Excise Tax	1,868,695	1,694,229	2,142,691	3,782,330
Other Taxes	5,820,346	6,748,616	6,314,878	5,774,001
Motor Vehicle in-lieu, Unrestricted	78,484	64,954	62,743	61,688
Investment Earnings	534,927	424,910	349,196	523,123
Gain (Loss) on land held for resale				
Gain (Loss) on Sale of Capital Assets			(352,880)	882,491
Miscellaneous	3,192,697	3,473,568	2,996,956	5,505,290
Transfers (refer to ACFR Footnote 4)	2,889,691	2,458,989	2,618,309	2,801,309
Extraordinary Item (refer to ACFR Footnote 19)				
Total Governmental Activities General Revenues and Transfers	<u>114,652,309</u>	<u>118,119,519</u>	<u>130,173,862</u>	<u>153,208,822</u>
Business-Type Activities:				
Investment Earnings	269,873	650,066	533,521	1,019,170
Gain (Loss) from disposal of capital assets				
Loss on equity investment				
Miscellaneous				
Transfers (refer to ACFR Footnote 19)	<u>(2,889,691)</u>	<u>(2,458,989)</u>	<u>(2,618,309)</u>	<u>(2,801,309)</u>
Total Business-Type Activities General Revenues and Transfers	<u>(2,619,818)</u>	<u>(1,808,923)</u>	<u>(2,084,788)</u>	<u>(1,782,139)</u>
Total Primary Government General Revenues and Transfers	<u>\$112,032,491</u>	<u>\$116,310,596</u>	<u>\$128,089,074</u>	<u>\$151,426,683</u>
<b>Change in Net Position</b>				
Governmental Activities	\$15,916,112	\$9,671,723	\$10,601,453	\$46,487,604
Business-Type Activities	<u>4,900,392</u>	<u>15,347,976</u>	<u>14,053,486</u>	<u>15,143,310</u>
Total Primary Government	<u>\$20,816,504</u>	<u>\$25,019,699</u>	<u>\$24,654,939</u>	<u>\$61,630,914</u>

\* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.  
Source: City of Hayward Annual Comprehensive Financial Report



Fiscal Year Ended June 30,

2017	2018	2019	2020	2021	2022
27,000,318	26,374,872	37,064,893	30,078,797	30,144,384	31,457,157
53,565,672	59,385,204	61,614,956	61,951,757	61,842,042	61,480,757
4,161,002	3,426,086	3,611,746	3,616,344	3,610,821	3,900,365
3,066,075	3,165,846	3,328,818	5,019,351	3,633,200	3,618,896
1,162,390				42,546	104,027
			119,683		
<u>88,955,457</u>	<u>92,352,008</u>	<u>105,620,413</u>	<u>100,785,932</u>	<u>99,272,993</u>	<u>100,561,202</u>
<u>\$127,631,898</u>	<u>\$128,418,417</u>	<u>\$151,353,759</u>	<u>\$143,079,506</u>	<u>\$157,593,790</u>	<u>\$162,779,906</u>
(\$158,356,185)	(\$199,345,204)	(\$175,093,564)	(\$177,877,548)	(\$172,174,972)	(\$147,183,696)
<u>11,176,532</u>	<u>13,450,830</u>	<u>29,887,799</u>	<u>26,366,603</u>	<u>21,769,844</u>	<u>21,421,588</u>
<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>	<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>	<u>(\$150,405,128)</u>	<u>(\$125,762,108)</u>
<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>	<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>	<u>(\$150,405,128)</u>	<u>(\$125,762,108)</u>
\$48,768,731	\$52,136,552	\$55,970,615	\$58,939,316	\$62,227,460	\$64,950,195
48,848,674	48,550,524	52,917,415	56,566,457	58,652,032	64,666,358
20,753,813	17,487,828	16,935,327	16,065,943	17,267,592	17,308,117
8,349,727	9,168,329	12,256,155	12,150,286	17,120,032	21,226,290
9,646,261	9,647,904	9,730,173	10,581,960	10,624,234	10,515,952
3,664,550	4,550,835	4,415,292	4,057,795	4,365,441	3,996,798
2,226,200	2,261,598	2,329,766	2,383,998	2,070,754	1,958,345
5,607,637	6,924,304	8,637,556	8,505,009	8,497,353	9,879,685
71,223	84,769	77,775	126,184	117,578	182,633
1,470,868	1,253,635	3,277,620	3,272,624	1,124,743	(3,912,851)
		10,982,198		3,390,000	
121,761	49,910			82,854	37,265
5,130,121	5,514,057	7,837,732	15,167,508	18,633,107	9,449,880
2,861,623	2,621,785	3,665,266	3,054,013	3,185,444	4,112,715
<u>157,521,189</u>	<u>160,252,030</u>	<u>189,032,890</u>	<u>190,871,093</u>	<u>207,358,624</u>	<u>204,371,382</u>
1,920,919	925,665	4,305,963	5,088,464	1,081,381	(4,862,077)
	135,712				
		(111,379)			(965,799)
<u>(2,861,623)</u>	<u>(2,621,785)</u>	<u>(3,665,266)</u>	<u>(3,054,013)</u>	<u>(3,185,444)</u>	<u>(4,112,715)</u>
(940,704)	(1,560,408)	529,318	2,034,451	(2,104,063)	(9,940,591)
<u>\$156,580,485</u>	<u>\$158,691,622</u>	<u>\$189,562,208</u>	<u>\$192,905,544</u>	<u>\$205,254,561</u>	<u>\$194,430,791</u>
(\$834,996)	(\$39,093,174)	\$13,939,326	\$12,993,545	\$35,183,652	\$57,187,686
<u>10,235,828</u>	<u>11,890,422</u>	<u>30,417,117</u>	<u>28,401,054</u>	<u>19,665,781</u>	<u>11,480,997</u>
<u>\$9,400,832</u>	<u>(\$27,202,752)</u>	<u>\$44,356,443</u>	<u>\$41,394,599</u>	<u>\$54,849,433</u>	<u>\$68,668,683</u>

**CITY OF HAYWARD**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**



\* General Fund includes balances related to the City's Measure C District Sales Tax

(a) The change in total fund balance for the General Fund and All Other Governmental Funds is explained in Management's Discussion and Analysis. The detail of Reserved and Designated Fund balance is explained in Note 9 of the financial statement footnotes.

Source: City of Hayward Annual Comprehensive Financial Report (ACFR)

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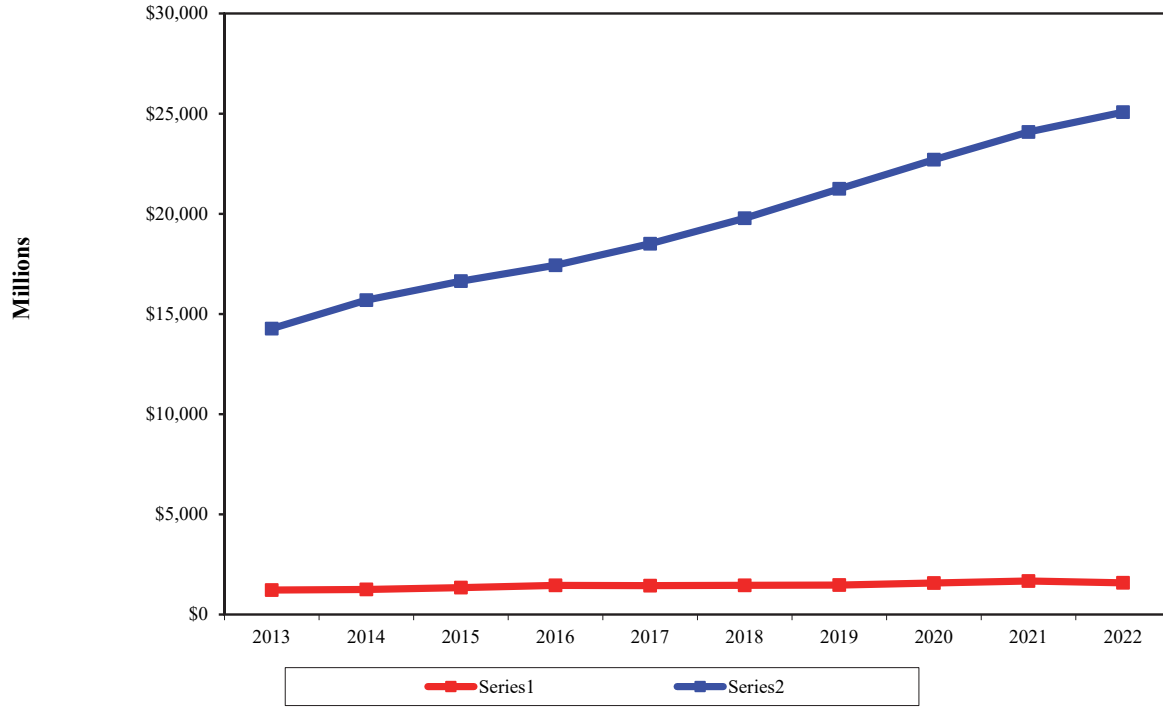
**CITY OF HAYWARD**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Years Ended June 30,			
	2013	2014	2015	2016
<b>Revenues</b>				
Property Taxes	\$39,180,750	\$38,971,067	\$42,128,306	\$44,159,430
Property Tax Increment				
Sales Taxes	29,197,989	31,019,079	39,148,631	46,495,377
Utility Users Taxes	14,939,639	15,761,544	15,680,721	22,040,616
Other Taxes	20,630,166	21,310,770	23,424,572	26,554,046
Licenses and permits	3,605,753	4,078,392	5,031,300	6,316,823
Fines and forfeitures	2,938,106	2,285,486	2,549,034	2,341,565
Special Assessments	891,037	972,339	980,329	1,166,399
Use of money and property	756,670	635,092	357,388	561,895
Intergovernmental revenues	28,617,999	33,839,482	22,647,381	37,101,458
Fees and charges for services	8,377,718	8,172,604	7,639,834	9,885,890
Reimbursement from Developer	109,677	252,910		
Gain on Sale				
Other	1,934,141	2,402,380	5,002,806	7,909,582
<b>Total Revenues</b>	<u>151,179,645</u>	<u>159,701,145</u>	<u>164,590,302</u>	<u>204,533,081</u>
<b>Expenditures</b>				
Current:				
General government	9,841,308	10,551,378	13,702,855	12,675,974
Public safety	90,696,723	91,851,849	96,719,824	105,164,624
Public works and transportation	10,498,047	3,764,567	6,623,943	3,850,989
Library and community services	6,531,206	7,004,537	6,748,325	8,371,078
Economic development	1,847,619	2,017,787	763,285	1,984,194
Planning and building	5,806,741	5,981,108	6,495,171	7,382,233
Maintenance services	3,685,853	4,591,395	5,581,077	6,279,365
Nondepartmental				
Capital outlay	36,797,417	22,587,661	30,819,943	39,864,835
Debt service:				
Principal	1,854,870	2,216,033	2,156,489	2,397,381
Interest and fiscal charges	2,040,992	1,093,538	1,158,708	1,055,901
Bond issuance cost				1,054,619
Pass-through payments				
<b>Total Expenditures</b>	<u>169,600,776</u>	<u>151,659,853</u>	<u>170,769,620</u>	<u>190,081,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,421,131)</u>	<u>8,041,292</u>	<u>(6,179,318)</u>	<u>14,451,888</u>
<b>Other Financing Sources (Uses)</b>				
Transfer of land held for resale to cap assets				
Proceeds from sale of capital asset				
Proceeds of refunding bonds (refer to ACFR Footnote 6)				87,348,775
Premium on refunding bonds issued (refer to ACFR Footnote 6)				6,565,740
Payment to refunded bond escrow agent (refer to ACFR Footnote 6)				(20,455,936)
Proceeds of repayment agreement				
Proceeds from long term debt (refer to ACFR Footnote 6)		2,488,880	5,500,000	
Proceeds from capital lease				
Gain on land held for resale				
Transfers in (refer to ACFR Footnote 4)	11,304,955	16,346,295	9,012,179	25,098,265
Transfers out (refer to ACFR Footnote 4)	(12,689,762)	(22,375,934)	(12,188,316)	(27,899,357)
<b>Total other financing sources (uses)</b>	<u>(1,384,807)</u>	<u>(3,540,759)</u>	<u>2,323,863</u>	<u>70,657,487</u>
Extraordinary Item (Refer to ACFR Footnote 19)				
<b>Net Change in fund balances</b>	<u>(\$19,805,938)</u>	<u>\$4,500,533</u>	<u>(\$3,855,455)</u>	<u>\$85,109,375</u>
Debt service as a percentage of noncapital expenditures	3.0%	2.6%	2.4%	2.4%

**Fiscal Years Ended June 30,**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$47,195,566	\$51,235,946	\$54,467,978	\$58,431,804	\$61,196,409	\$63,524,226
48,848,674	48,550,524	52,917,415	56,566,457	58,652,032	64,666,358
20,753,813	17,487,828	16,935,327	16,065,943	17,267,592	17,308,117
27,518,428	28,116,819	32,658,149	31,774,255	36,672,642	42,293,995
7,766,510	7,091,074	7,814,026	6,435,587	5,439,030	7,040,991
2,499,964	2,487,183	2,670,298	2,210,385	2,194,569	2,908,314
1,026,071	1,003,388	1,059,378	1,297,894	1,408,903	1,427,107
1,746,291	1,644,775	3,473,471	3,901,043	1,729,716	(2,085,572)
28,403,369	23,151,743	28,991,082	28,937,153	38,526,058	42,581,105
5,889,181	7,360,450	7,373,160	5,585,549	9,712,963	8,305,207
		10,982,198			
11,082,590	6,084,935	10,689,323	18,289,406	24,378,704	17,150,080
<u>202,730,457</u>	<u>194,214,665</u>	<u>230,031,805</u>	<u>229,495,476</u>	<u>257,178,618</u>	<u>265,119,928</u>
13,182,512	14,309,144	15,335,579	14,607,161	13,971,584	19,264,532
110,461,347	110,621,648	118,169,989	123,148,622	129,477,772	135,547,462
4,001,258	3,772,501	8,850,429	6,849,771	8,198,266	9,841,151
6,678,908	7,638,673	7,722,543	8,707,212	9,123,989	10,597,268
56,797	81,274	1,512,567	1,576,741	2,350,344	6,674,218
8,497,395	8,372,228	9,229,204	8,618,787	8,712,707	9,576,414
7,711,268	7,720,401	9,973,511	9,840,025	10,752,525	12,017,944
48,972,280	47,870,707	45,601,421	34,471,404	40,657,890	53,296,125
2,561,048	2,676,156	5,013,353	5,207,513	5,416,028	6,257,552
3,303,835	3,321,225	3,190,198	3,007,504	2,795,772	2,615,974
2,972					
<u>205,429,620</u>	<u>206,383,957</u>	<u>224,598,794</u>	<u>216,034,740</u>	<u>231,456,877</u>	<u>265,688,640</u>
<u>(2,699,163)</u>	<u>(12,169,292)</u>	<u>5,433,011</u>	<u>13,460,736</u>	<u>25,721,741</u>	<u>(568,712)</u>
					1,063,021
				3,390,000	
40,553,431	13,461,040	40,742,247	15,104,770	12,292,089	42,742,446
<u>(44,118,007)</u>	<u>(17,962,337)</u>	<u>(48,967,406)</u>	<u>(18,967,012)</u>	<u>(17,809,505)</u>	<u>(51,427,705)</u>
<u>(3,564,576)</u>	<u>(4,501,297)</u>	<u>(8,225,159)</u>	<u>(3,862,242)</u>	<u>(2,127,416)</u>	<u>(7,622,238)</u>
<u>(\$6,263,739)</u>	<u>(\$16,670,589)</u>	<u>(\$2,792,148)</u>	<u>\$9,598,494</u>	<u>\$23,594,325</u>	<u>(\$8,190,950)</u>
3.8%	3.5%	4.2%	4.2%	4.1%	3.9%

**CITY OF HAYWARD**  
**ASSESSED AND ESTIMATED ACTUAL**  
**VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**



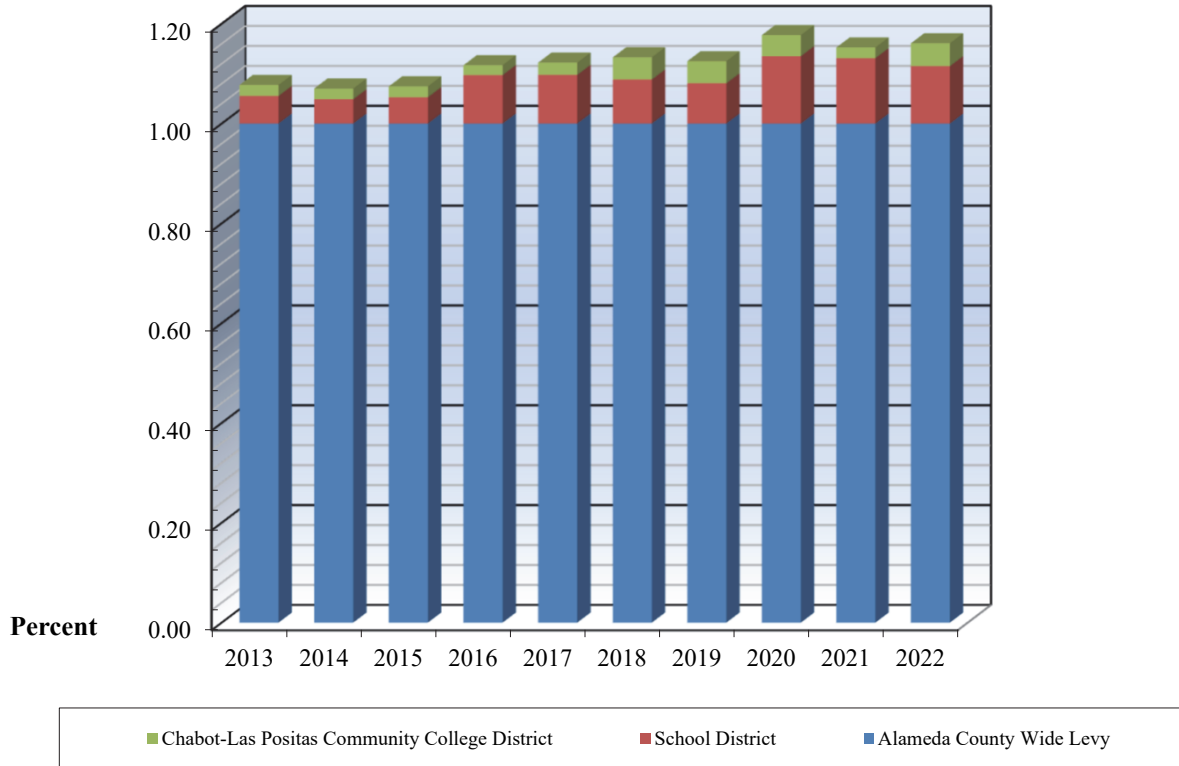
<u>Fiscal Year</u>	<u>Total Secured Property</u>	<u>Total Unsecured Property</u>	<u>Total Assessed ( c )</u>	<u>Estimated Full Market ( a )</u>	<u>Direct Tax Rate ( b )</u>
2013	\$14,269,516,867	\$1,219,715,968	\$15,489,232,835	\$15,489,232,835	1%
2014	15,692,946,952	1,249,273,320	16,942,220,272	16,942,220,272	1%
2015	16,639,488,990	1,340,155,668	17,979,644,658	17,979,644,658	1%
2016	17,432,403,170	1,452,793,040	18,885,196,210	18,885,196,210	1%
2017	18,505,587,803	1,439,106,697	19,944,694,500	19,944,694,500	1%
2018	19,779,304,369	1,454,651,151	21,233,955,520	21,233,955,520	1%
2019	21,249,763,958	1,469,205,980	22,718,969,938	22,718,969,938	1%
2020	22,702,279,301	1,570,761,064	24,273,040,365	24,273,040,365	1%
2021	24,086,121,795	1,669,659,173	25,755,780,968	25,755,780,968	1%
2022	25,074,926,004	1,580,752,210	26,655,678,214	26,655,678,214	1%

NOTE:

- ( a ) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- ( b ) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.
- ( c ) Total assessed represents gross amount of the total assessed valuation of the taxable property.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

**CITY OF HAYWARD  
PROPERTY TAX RATES  
ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**



Fiscal Year	Alameda County Wide Levy	City of Hayward	Alameda County Go Bond	Hayward Unified School District	Chabot-Las Positas Community College District	Bay Area Rapid Transit (BART)	Hayward Area Rec & Park	East Bay Regional Park
2013	1.0000	0.0018	0.0000	0.0553	0.0219	0.0043		0.0051
2014	1.0000	0.0018	0.0000	0.0486	0.0214	0.0075		0.0078
2015	1.0000	0.0018	0.0000	0.0527	0.0217	0.0045		0.0085
2016	1.0000	0.0018	0.0000	0.0970	0.0198	0.0026		0.0067
2017	1.0000	0.0018	0.0000	0.0974	0.0246	0.0080		0.0032
2018	1.0000	0.0018	0.0000	0.0881	0.0445	0.0084	0.0299	0.0021
2019	1.0000	0.0018	0.0112	0.0806	0.0443	0.0070	0.0300	0.0057
2020	1.0000	0.0018	0.0108	0.1350	0.0422	0.0120	0.0300	0.0060
2021	1.0000	0.0018	0.0036	0.1310	0.0214	0.0139	0.0299	0.0014
2022	1.0000	0.0018	0.0041	0.1150	0.0458	0.0060	0.0299	0.0020

**City of Hayward**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

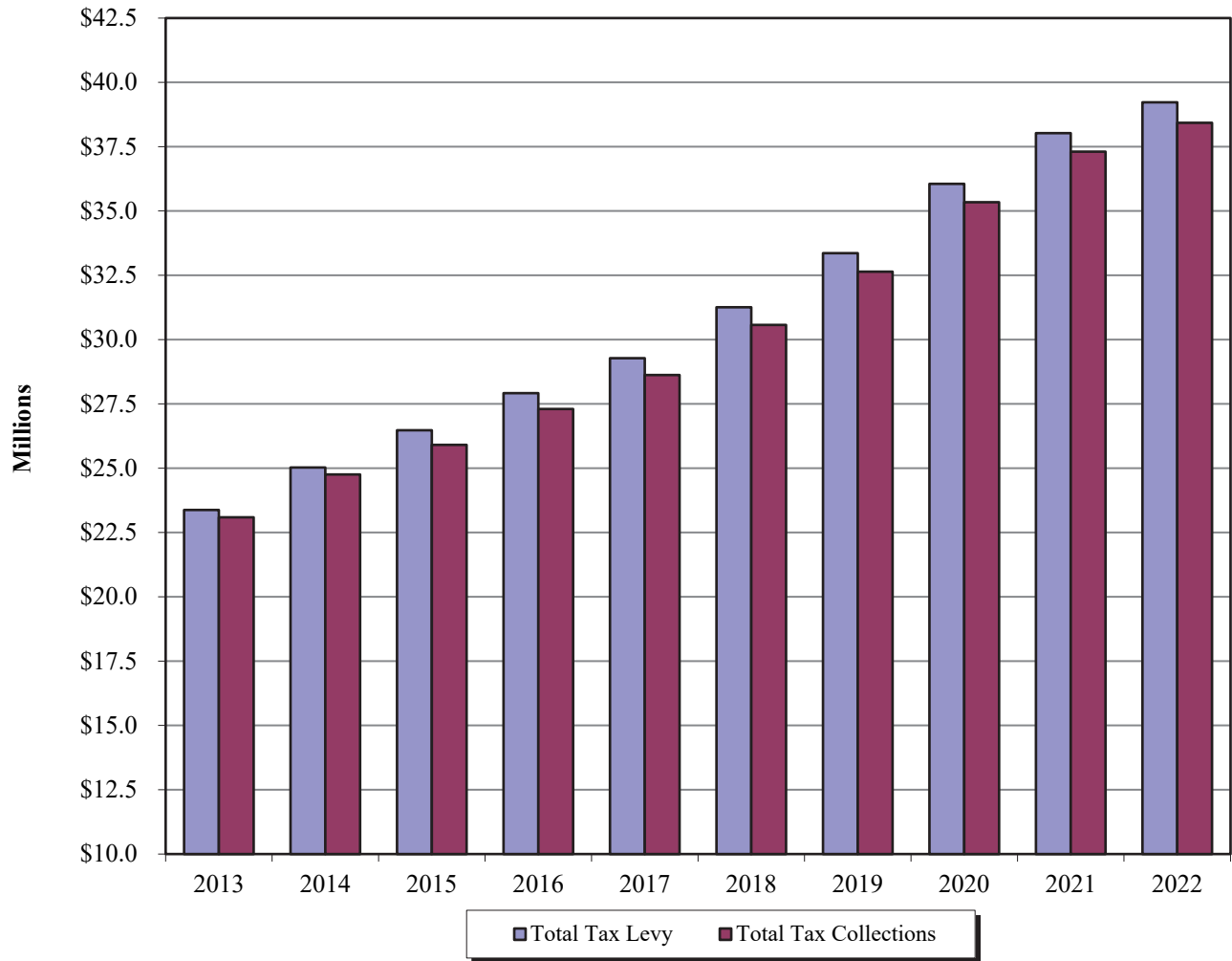
<b>Employer</b>	<b>FY 2022</b>			<b>FY 2013</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Russell City Energy Company, LLC	\$364,400,000	1	0.013670633			
Southland Mall LP	251,091,465	2	0.009419812	\$147,009,347	2	0.90%
PSB Northern Calif Industrial Portfolio LLC	224,097,072	3	0.008407104			
Hayward 544 LLC	173,510,380	4	0.006509322			
ROC III CA Creekwood LLC	104,733,910	7	0.003929141			
Hayward Point Eden I LP	112,558,109	5	0.004222669	95,083,722	5	0.60%
Hayward Industrial Park Associates	104,901,016	6	0.00393541	90,404,215	7	0.60%
IPT Hayward Logistics Center LLC	100,236,482	8	0.003760418			
Rar2 Hayward 92 LLC	98,284,389	9	0.003687184			
Lincoln Landing Property Owner Llc	71,586,920	10	0.002685616			
Bottling Group LLC				129,310,845	3	0.80%
SCI Limited Partnership				92,534,400	6	0.60%
Northern Cal Industrial Portfolio				191,348,900	1	1.20%
Berkeley Farm Inc.				107,277,093	4	0.70%
Target Corporation				57,019,413	10	0.40%
Impax Laboratories Inc.				75,697,018	8	0.50%
Essex Wimbledon Woods Apartments, LLC				57,973,033	9	0.40%
<b>Subtotal</b>	<b>\$1,605,399,743</b>		<b>6.02%</b>	<b>\$1,043,657,986</b>		<b>6.16%</b>

Total Assessed Valuation:  
Fiscal Year 2021/2022 \$26,655,678,214  
Fiscal Year 2012/2013 16,942,220,272

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls



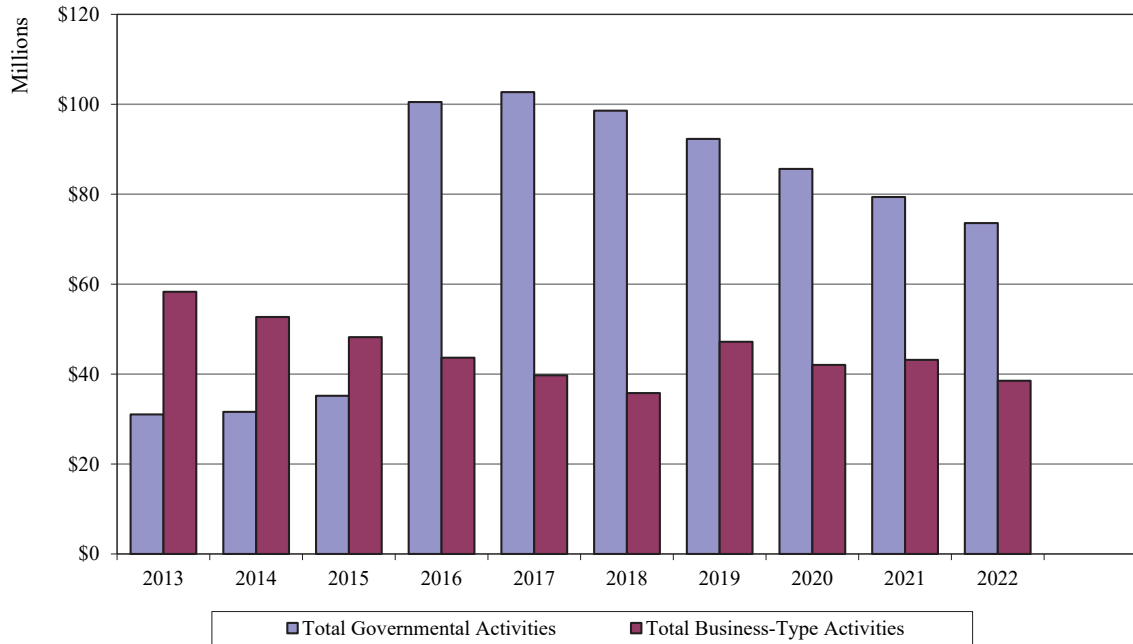
**CITY OF HAYWARD  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2013	\$23,375,741	\$22,340,018	95.57%	\$748,912	\$23,088,930	98.77%
2014	25,027,044	24,356,397	97.32%	399,535	24,755,932	98.92%
2015	26,474,019	25,522,217	96.40%	382,845	25,905,062	97.85%
2016	27,915,350	26,854,859	96.20%	446,987	27,301,846	97.80%
2017	29,275,215	28,172,161	96.23%	448,808	28,620,970	97.77%
2018	31,255,890	30,158,955	96.49%	410,565	30,569,520	97.80%
2019	33,360,474	32,234,964	96.63%	403,490	32,638,455	97.84%
2020	36,054,277	34,833,923	96.62%	505,412	35,339,334	98.02%
2021	38,025,883	36,767,160	96.69%	537,243	37,304,403	98.10%
2022	39,223,816	37,821,398	96.42%	604,452	38,425,850	97.97%

Source: Alameda County Assessor Office

**CITY OF HAYWARD  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**



Fiscal Year	Governmental Activities				Total
	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	
2013	0 (a)	\$24,525,000	\$575,000	\$5,943,842	\$31,043,842
2014	0 (a)	22,895,000	3,003,880	5,699,806	31,598,686
2015	0 (a)	21,195,000	2,695,717	11,279,313	35,170,031
2016	0 (a)	87,348,775	2,371,338	10,787,079	100,507,193
2017	0 (a)	91,613,001	2,044,350	9,050,057	102,707,408
2018	0 (a)	89,212,869	1,709,786	7,661,734	98,584,389
2019	0 (a)	84,487,311	1,372,620	6,444,597	92,304,528
2020	0 (a)	79,584,001	1,028,478	5,001,566	85,614,045
2021	0 (a)	74,484,994	681,218	4,225,876	79,392,088
2022	0 (a)	69,185,304	766,118	3,646,076	73,597,498

Fiscal Year	Business-Type Activities			Total Government	Government Debt Per Capita (b)
	Water Revenue Bonds	Sewer Revenue Bonds	Total		
2013	\$8,225,000	\$50,073,263	\$58,298,263	\$89,342,105	\$600.59
2014	6,570,000	46,137,248	52,707,248	84,305,934	558.18
2015	6,055,000	42,151,592	48,206,592	83,376,623	545.34
2016	5,525,000	38,116,304	43,641,304	144,148,497	906.68
2017	4,980,000	34,755,949	39,735,949	142,443,357	884.52
2018	4,420,000	31,370,520	35,790,520	134,374,909	829.32
2019	3,840,000	43,337,073	47,177,073	139,481,601	874.86
2020	3,245,000	38,786,145	42,031,145	127,645,190	796.23
2021	2,630,000	40,524,958	43,154,958	122,547,046	775.18
2022	2,000,000	36,523,498	38,523,498	112,120,996	698.18

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) Tax Allocation Bonds are reported under Redevelopment Successor Agency as Fiduciary Fund as Redevelopment Agency was dissolved on January 31, 2012 as per ABx1 26 and AB1484.

(b) Per Capita based on City population; refer to Demographic and Statistics Schedule for population data.

Source: City of Hayward  
State of California, Department of Finance (population)  
U.S. Dept of Commerce, Bureau of the Census (income)

**CITY OF HAYWARD  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

2021-22 Assessed Valuation:	\$26,135,678,970
Redevelopment Incremental Valuation:	<u>(3,101,296,705)</u>
Adjusted Assessed Valuation:	\$23,034,382,265

	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/2022	
<b><u>DIRECT DEBT:</u></b>				
City of Hayward General Fund Obligations	\$73,597,498	100.000%	<u>\$73,597,498</u>	<u>\$73,597,498</u>
<b>Total Direct Debt</b>				<b>\$73,597,498</b>
<b><u>OVERLAPPING DEBT:</u></b>				
Overlapping Tax and Assessment Debt:				
Alameda County	\$183,745,000	7.54%	13,854,373	
Bay Area Rapid Transit District	2,521,570,000	3%	74,058,511	
Chabot-Las Positas Community College District	805,595,000	18%	144,733,198	
Castro Valley Unified School District	144,115,000	0%	170,056	
Hayward Unified School District	759,685,496	86%	654,598,201	
New Haven Unified School District	229,434,534	14%	31,432,531	
Pleasanton Unified School District	195,875,000	0%	68,556	
San Lorenzo Unified School District	177,335,000	15%	27,229,789	
Washington Township Healthcare District	343,045,000	2%	6,089,049	
Hayward Area Recreation and Park District	102,115,000	56%	56,721,819	
East Bay Regional Park District	184,590,000	5%	8,657,271	
City of Hayward Community Facilities District No. 1	4,588,014	100%	4,588,014	
City of Hayward 1915 Act Bonds	80,000	100%	80,000	
Subtotal Overlapping Tax and Assessment Debt				\$1,022,281,368
Ratios to 2021-22 Assessed Valuation:				
Subtotal Overlapping Tax and Assessment Debt	4.44%			
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>				
Alameda County General Fund Obligations	\$742,688,000	7.540%	\$55,998,675	
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	8.927%	1,040,442	
Hayward Unified School District Certificates of Participation	13,204,467	86.167%	11,377,893	
San Lorenzo Unified School District Certificates of Participation	8,605,000	15.355%	1,321,298	
Castro Valley and Pleasanton Unified School District Certificates of Participation	4,445,000	0.118%	5,245	
Subtotal Overlapping General Fund Debt				\$69,743,553
<b><u>OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):</u></b>	<b>\$46,565,000</b>	<b>7.372 &amp; 100. %</b>	<b><u>\$25,807,065</u></b>	<b><u>\$25,807,065</u></b>
<b>Total Overlapping Debt</b>				<b><u>\$1,117,831,986</u></b>
<b>Grand Total Direct and Overlapping Debt</b>				<b><u>\$1,191,429,484</u></b> (2)
<b>Combined Total Direct and Overlapping Debt</b>				<b><u>\$1,191,429,484</u></b> (2)
<b><u>Ratio to 2021-22 Assessed Valuation:</u></b>				
Combined Total Direct and Overlapping Tax and Assessment Debt	5.17%			

NOTE:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

**CITY OF HAYWARD  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
Last Ten Fiscal Years**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$26,655,678,214
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BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$3,998,351,732
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$73,597,498
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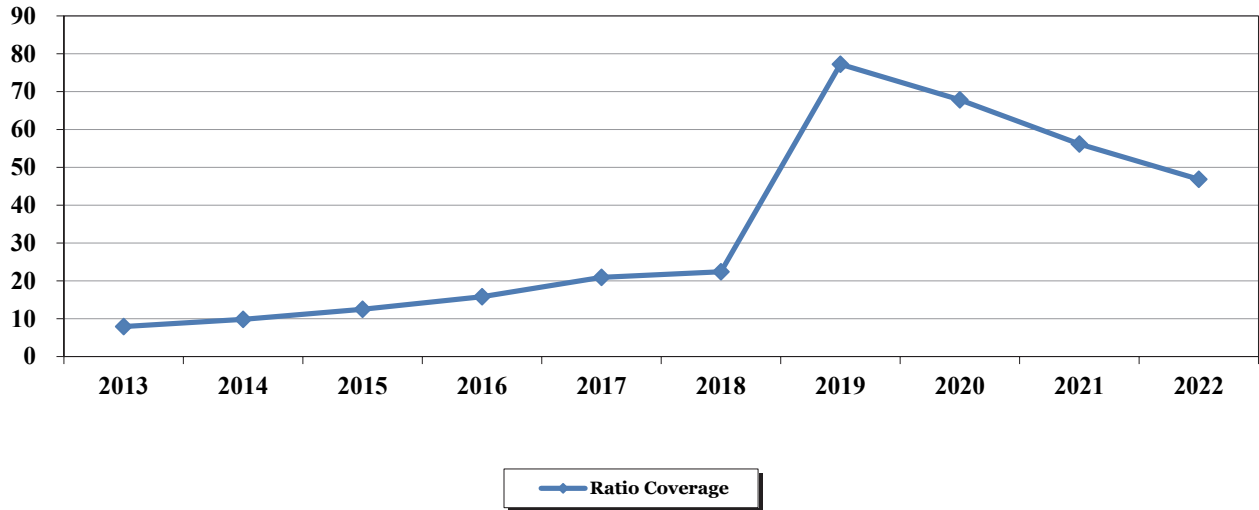
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	73,597,498
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Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$3,998,351,732
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2013	\$2,541,333,041	\$0	\$2,541,333,041	0.00%
2014	2,541,333,041	0	2,541,333,041	0.00%
2015	2,696,946,699	0	2,696,946,699	0.00%
2016	2,832,779,432	0	2,832,779,432	0.00%
2017	2,991,704,175	0	2,991,704,175	0.00%
2018	3,185,093,328	0	3,185,093,328	0.00%
2019	3,407,845,491	0	3,407,845,491	0.00%
2020	3,640,956,055	0	3,640,956,055	0.00%
2021	3,863,367,145	0	3,863,367,145	0.00%
2022	3,998,351,732	0	3,998,351,732	0.00%

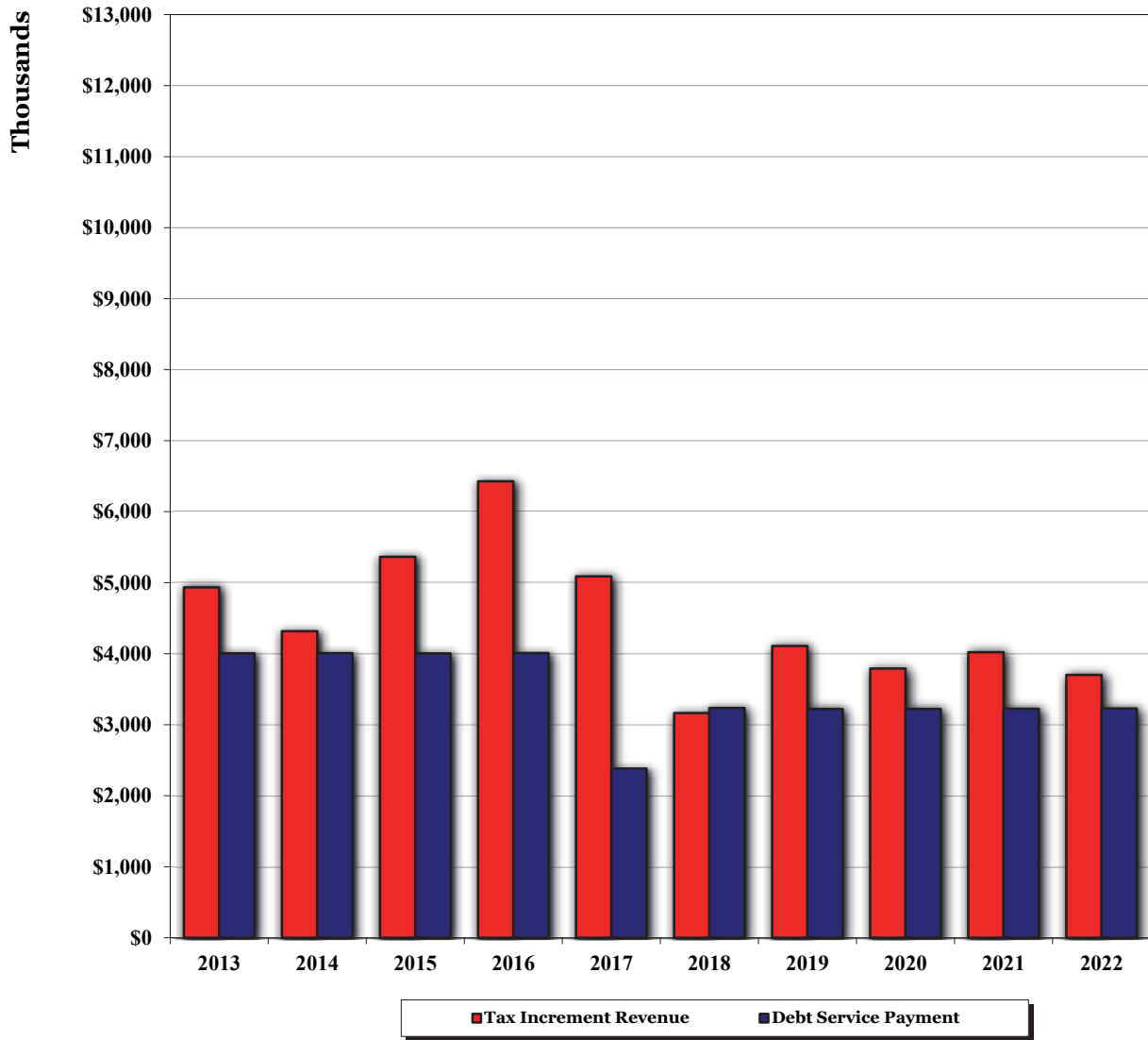
**CITY OF HAYWARD  
REVENUE BOND COVERAGE  
WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2013	\$65,512,421	\$49,506,563	\$16,005,858	\$1,490,000	\$527,831	\$2,017,831	7.93
2014	73,136,288	47,380,860	25,755,428	2,160,000	459,280	2,619,280	9.83
2015	73,564,675	49,566,818	23,997,857	1,615,000	302,938	1,917,938	12.51
2016	80,748,945	52,915,644	27,833,301	1,555,498	205,533	1,761,031	15.81
2017	82,325,821	60,602,745	21,723,076	886,781	151,341	1,038,122	20.93
2018	86,614,724	63,289,309	23,325,415	919,040	121,929	1,040,969	22.41
2019	102,636,863	60,860,754	41,776,109	450,133	90,738	540,871	77.24
2020	96,734,751	60,046,086	36,688,665	462,357	78,514	540,871	67.83
2021	93,001,615	62,364,681	30,636,934	479,467	66,069	545,536	56.16
2022	88,096,478	62,788,487	25,307,991	487,444	52,812	540,256	46.84

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue  
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest

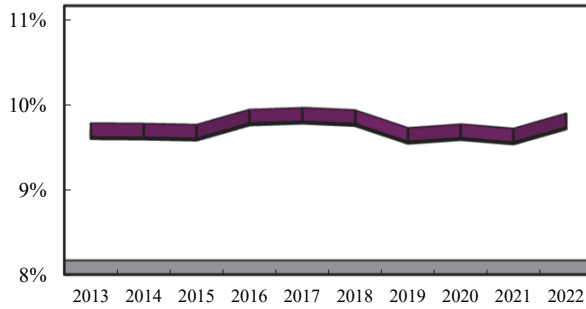
**CITY OF HAYWARD  
 BONDED DEBT PLEDGED REVENUE COVERAGE  
 TAX ALLOCATION BONDS  
 LAST TEN FISCAL YEARS**



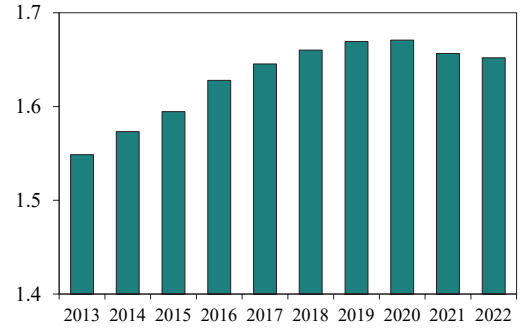
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	\$4,934,694	\$1,605,000	\$2,400,322	\$4,005,322	1.23
2014	4,317,292	1,680,000	2,328,657	4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	1.34
2016	6,427,560	1,835,000	2,173,931	4,008,931	1.60
2017	5,089,716	2,035,000	347,642	2,382,642	2.14
2018	3,163,863	1,685,000	1,550,975	3,235,975	0.98
2019	4,109,694	1,735,000	1,487,550	3,222,550	1.28
2020	3,791,673	1,805,000	1,417,450	3,222,450	1.18
2021	4,020,771	1,880,000	1,344,550	3,224,550	1.25
2022	3,701,590	1,975,000	1,254,250	3,229,250	1.15

Source: City of Hayward Annual Financial Statements

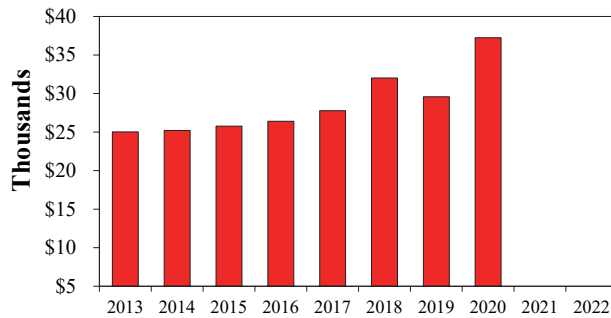
## CITY OF HAYWARD DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS



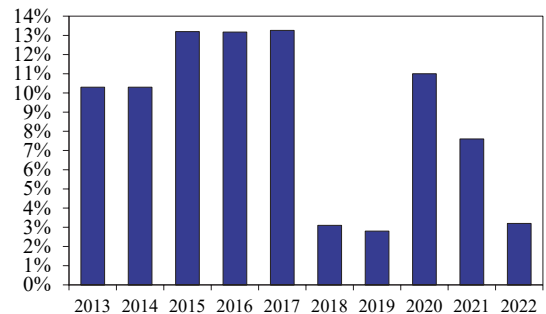
■ City Population as a % of County Population



■ Alameda Co. Population



■ Per Capita Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
2013	148,756	\$25,019	10.3%	1,548,681	9.61%
2014	151,037	25,208	10.3%	1,573,254	9.60%
2015	152,889	25,770	13.2%	1,594,569	9.59%
2016	158,985	26,405	13.2%	1,627,865	9.77%
2017	161,040	27,774	13.3%	1,645,359	9.79%
2018	162,030	32,021	3.1%	1,660,202	9.76%
2019	159,433	29,583	2.8%	1,669,301	9.55%
2020	160,311	37,243	11.0%	1,670,834	9.59%
2021	158,089		7.6%	1,656,591	9.54%
2022	160,591		3.2%	1,651,979	9.72%

Note: FY21 AND FY22 data not available for Per Capita Income

Sources: U.S. Census Bureau  
State of California - Department of Finance, Office of The Director  
State of California - Employment Development Department, Labor Market Information Division

**City of Hayward**  
**Principal Employers**  
**Current Year and Ten Years Ago**

<u>Employer</u>	<u>FY 2022</u>	<u>FY 2013</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*	1,200	4	0.8%
Baxter Bio Pharma	*			
California State University East Bay	*	2,207	2	1.5%
Chabot Community College	*			
Fremont Bank Operations Center	*			
Hayward Unified School District	*	2,200	3	1.5%
Illumina	*			
Impax Laboratories, Inc.	*			
Pentagon Technologies	*	650	8	0.4%
Plastikon Industries, Inc.	*			
Siemens Building Tech	*			
St. Rose Hospital	*	700	6	0.5%
Gillig Corporation		700	6	0.5%
Kaiser Permanente Medical Center		2,500	1	1.7%
City of Hayward		800	5	0.5%
IMPAX Laboratories Inc		594	10	0.4%
Berkeley Farms LLC		600	9	0.4%
Subtotal		<u>12,151</u>		<u>8.2%</u>
Total City Population Using Census Data		<u>148,756</u>		

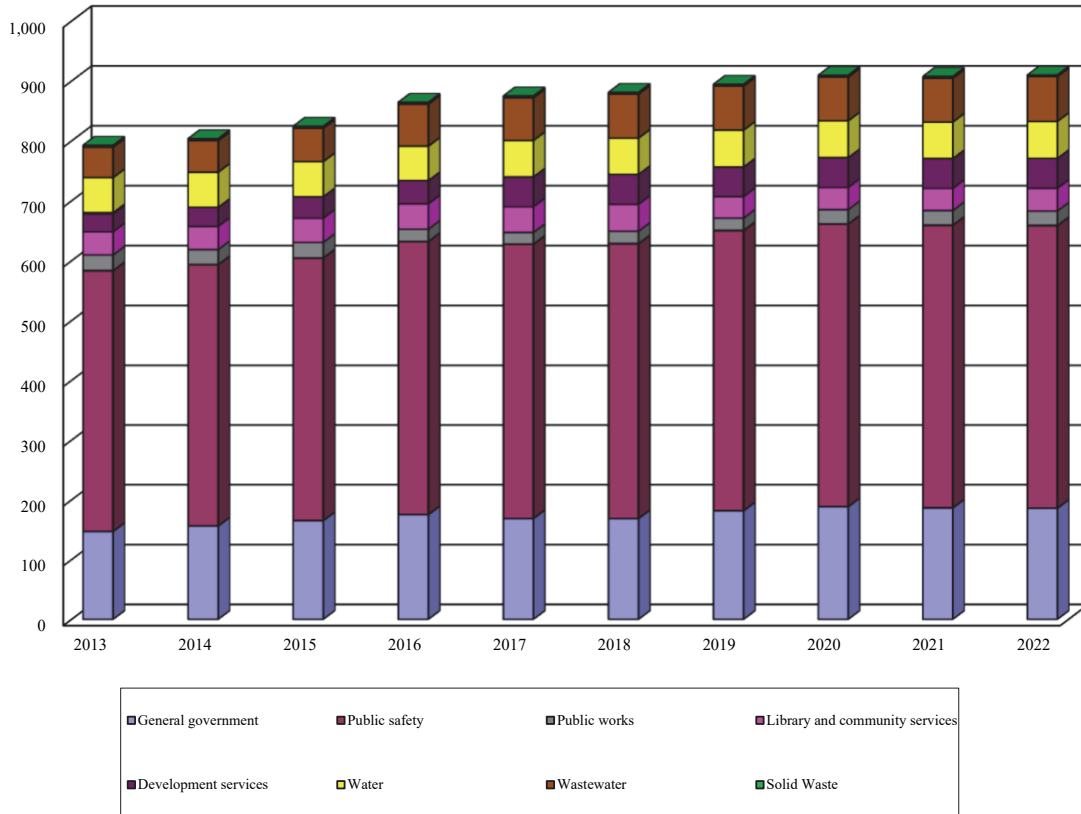
Source: City of Hayward Adopted Operating Budget FY21

Note: FY21 data not available for ranking or total employment.

\* Presented in alphabetical order based on economic development's assessment.



**CITY OF HAYWARD**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**



	Fiscal Years Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function</b>										
General government	146.90	156.00	165.00	175.00	168.50	168.50	181.50	188.25	186.25	185.75
Public safety	436.50	437.50	439.50	457.00	459.00	460.00	469.00	473.00	473.00	473.00
Public works	26.10	25.00	26.00	20.50	19.56	20.71	20.56	24.00	24.45	24.15
Library and community services	38.55	38.55	40.20	42.20	42.80	44.80	35.80	36.80	36.80	37.80
Development services	30.00	32.00	36.00	39.00	50.00	50.00	49.50	50.00	50.00	50.00
Water	58.40	58.50	58.50	57.30	60.61	60.46	61.41	61.26	60.71	61.61
Wastewater	51.00	53.00	56.00	70.40	71.58	73.58	73.78	73.24	73.34	75.24
Solid Waste	3.00	3.00	3.00	2.80	2.75	2.75	2.75	2.75	2.75	2.25
<b>Total</b>	<b>790.45</b>	<b>803.55</b>	<b>824.20</b>	<b>864.20</b>	<b>874.80</b>	<b>880.80</b>	<b>894.30</b>	<b>909.30</b>	<b>907.30</b>	<b>909.80</b>

Source: City of Hayward Adopted Operating Budget

**CITY OF HAYWARD**  
**Operating Indicators by Function/Program**  
**Last Five Fiscal Years**

<b>Function/Program</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Public safety:</b>					
Fire alarms	18,898	18,823	18,860	18,414	20,361
Police: (Uniform Crime Reporting Statistics)					
Property crime calls	4,967	4,749	5,462	4,682	4,918
Violent crime calls (a)	633	604	568	520	511
Arson calls	33	28	20	19	28
<b>Public works</b>					
Pavement Condition Index (PCI)*	69	70	69	70	69
*Industry measure of street condition with 100 ideal score					
Annual pavement improvement projects	13	10	10	10	10
Airport operations count/flights	112,962	106,447	90,048	126,219	132,096
Airport reported based aircraft	470	461	461	461	461
<b>Library and Community Services</b>					
Social Services Projects Funded	20	18	18	26	19
Facilities Projects Funded	2	2	1	1	4
Economic Development Projects Funded	2	3	2	6	5
New Housing/Rehab Projects Funded	18	2	2	2	2
Public Services Projects Funded	5	5	5	18	7
Measure B Projects Funded	7	8	8	4	6
Measure BB Projects Funded	1	0	0	1	1
<b>Planning</b>					
Active Subdivisions	45	41	40	48	38
Active Parcel Maps	7	7	11	12	13
Building Permits	4,934	5,107	4,501	4,291	4,517
Residential Rental Inspections	1,039	977	943	334	142
<b>Library and neighborhood services</b>					
Library Materials in Collection	166,100	164,396	204,416	154,535	158,258
Library Circulation (Items checked out)	654,989	159,806	395,758	144,108	370,628
Community Preservation Cases	2,771	2,917	2,522	2,518	2,159
<b>Water</b>					
Water service connections	36,327	37,526	38,236	38,532	37,764
Water main breaks	14	21	17	19	9
Average daily consumption (thousands of gallons or gallons)	14,458	14,046	13,962	14,405,184	13,901,276
<b>Wastewater</b>					
Sewer service connections	34,320	34,728	35,256	35,256	35,497
Average daily treatment (thousands of gallons)	11,480	11,574	10,717	10,355	10,605
<b>Solid Waste</b>					
Landfilled waste recycled and diversion rate*	<b>70%-75%</b>	<b>66%</b>	<b>66%</b>	<b>73%</b>	<b>77%</b>
*Diversion rate beginning in calendar year 2000 and each year thereafter.					

(a) Excluded Simple assault calls, restated prior years.

Source: City of Hayward

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**CITY OF HAYWARD**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Function/Program</b>					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	115	127	118	118	114
Police stations	1	1	1	1	1
Number of police officers (c)	189	199	177	186	194
Public works					
Miles of streets	266	266	266	283	283
Street lights	8,143	8,161	8,178	8,273	8,288
Traffic Signals	135	135	134	134	136
Airport	1	1	1	1	1
Library and neighborhood services					
City Libraries	2	2	2	2	2
Water					
Number of consumers	140,000	150,000	150,000	150,000	155,000
Average daily consumption (gallons)	15,500,000	15,200,000	13,600,000	12,255,000	12,870,000
Miles of water mains	370	380	385	385	385
Storage capacity (gallons)	29,350,000	29,350,000	29,350,000	29,350,000	30,550,000
Wastewater					
Miles of sewers	320	325	325	325	325
Number of treatment plants	1	1	1	1	1
Treatment capacity (gallons)	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000

(a) Includes Fairview Fire District Station under contract

(b) Represents actual hired firefighters and officers which may be different than budgeted number of positions

(c) Represents actual hired police officers which may be different than budgeted number of positions

Sources: City of Hayward

**Fiscal Year Ended June 30,**

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
9	9	9	9	9
129	124	122	121	125
1	1	1	1	1
176	178	181	169	161
283	283	283	283	283
8,238	8,327	8,327	8,327	8,377
143	146	146	146	146
1	1	1	1	1
2	2	2	2	2
160,500	159,500	159,203	162,954	159,827
14,650,000	14,046,000	13,962,000	14,405,184	13,901,276
385	391	391	391	391
30,550,000	25,350,000	31,250,000	25,000,000	25,000,000
325	321	321	321	321
1	1	1	1	1
18,500,000	18,400,000	18,500,000	18,500,000	18,500,000

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**H HAYWARD**

Finance Department, 777 B Street, Hayward CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)





# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-200

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Fire Chief

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Appropriate \$88,598.89 from the Measure C Operating Fund (Fund 101) for the Purchase of (1) EagleAir® Model RVA15M3D4U RavenCFS Breathing Air Compressor System

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to appropriate and expend \$88,598.89 from the Measure C Operating Fund (Fund 101) for the purchase of (1) EagleAir® Breathing Compressor System.

**SUMMARY**

In 2014, Hayward voters approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services. The purchase from EagleAir of a new Breathing Air Compressor System will allow for continued use of existing equipment and the ease of maintenance and services, due to an already existing service agreement with the local provider. Hayward Fire already owns and maintains three similar units from EagleAir, and this additional purchase will increase capacity to refill breathable air tanks for Fire personnel. An increase in appropriation in the Measure C fund is required for the purchase of the EagleAir equipment.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Fire Chief

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Appropriate and Expend \$88,598.89 From the Measure C Operating Fund (Fund 101) For the Purchase of (1) EagleAir® Model RVA15M3D4U RavenCFS Breathing Air Compressor System

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to appropriate and expend \$88,598.89 from the Measure C Operating Fund (Fund 101) for the purchase of (1) EagleAir® Breathing Compressor System.

### **SUMMARY**

In 2014, Hayward voters approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services. The purchase from EagleAir of a new Breathing Air Compressor System will allow for continued use of existing equipment and the ease of maintenance and services, due to an already existing service agreement with the local provider. Hayward Fire already owns and maintains three similar units from EagleAir, and this additional purchase will increase capacity to refill breathable air tanks for Fire personnel. An increase in appropriation in the Measure C fund is required for the purchase of the EagleAir equipment.

### **BACKGROUND AND DISCUSSION**

There is a current need to increase speed and capacity of use in the method of replenishing breathable air tanks throughout the department. Hayward Fire Department initially purchased EagleAir products in 2013, after a SCBA Grant was awarded to replace an expired system. Prior to that purchase, there was a mobile air compressor that had a 2-tank fill capacity. The new new unit will upgrade that capacity to 4 tanks.

EagleAir was selected via a Request for Proposals due to their competitive pricing, product availability, and local service providers. Since the decision to move forward with EagleAir,

HFD has added additional units at Station 6 and station 7.

The purchase of the EagleAir® Model RVA15M3D4U RavenCFS Breathing Air Compressor System would allow for the easiest and most cost-effective option for adding capacity to the existing breathable air system within Hayward Fire Department. By increasing capacity of the existing equipment rather than diverting to a new system, there are significant savings in relation to time and money, as no additional purchases will need to be made to replace existing equipment, as well as the time to learn and integrate a new system. In order to assure fair market pricing, there were inquiries into Stallion Air for similar equipment, and pricing was nearly identical.

### **STRATEGIC ROADMAP**

This project does not relate to any projects on the strategic roadmap.

### **FISCAL IMPACT**

In 2014, Hayward voters approved Measure C which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services.

Therefore, staff recommends that Council approve an increase in budget appropriation in the Measure C Operating Fund (Fund 101) in the amount of \$88,598.89 to allow for the purchase of (1) EagleAir® Model RVA15M3D4U RavenCFS Breathing Air Compressor System.

### **SUSTAINABILITY FEATURES**

Continuing with an existing brand rather than replacing a department-wide product will help eliminate waste by continuing to use existing products and eliminating excess purchases due to lack of compatibility.

### **PUBLIC CONTACT**

There is no public contact needed for this item.

### **NEXT STEPS**

If Council approves the resolution to appropriate funds, staff will route the budget amendment and continue with the proposed invoice and complete the purchase. Staff will then coordinate with local providers for delivery and implementation.

*Prepared by:* Lauren Dekas, Fire Administration Management Analyst I

*Recommended by:* Garrett Contreras, Fire Chief

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', with a long horizontal flourish extending to the right.

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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROPRIATE AND EXPEND \$88,598.89 FROM THE MEASURE C OPERATING FUND (FUND 101) FOR THE PURCHASE OF (1) EAGLEAIR® MODEL RVA15M3D4U RAVENCFS BREATHING AIR COMPRESSOR SYSTEM

WHEREAS, the City of Hayward Fire Department has researched and identified a system compliant breathing air compressor system; and

WHEREAS, breathing apparatus is a vital piece of emergency equipment that allows the City's firefighters to enter dangerous atmospheres, combat fires, and protect the life and property for the Hayward community; and

WHEREAS, the City Manager authorizes a sole source justification to purchase of breathing apparatuses (SCBA) with EagleAir; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward hereby approves the amendment to the FY 2023 Operating Budget resolution by increasing the budget appropriation in the Measure C Fund in the amount of \$88,598.89 to allow for the purchase of one (1) Breathing Air Compressor System and authorizes the City Manager to execute the purchase order.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** CONS 23-201

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Fire Chief

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Appropriate \$640,894 from the Measure C Operating Fund (Fund 101) for the Purchase of Motorola Dispatch Console Equipment and Service Plans and to Execute an Agreement with Motorola for Purchase of those Products

**RECOMMENDATION**

That Council adopts a resolution (Attachment II): (1) approving the appropriation of \$640,894 in Measure C funds to purchase additional Motorola Dispatch Console equipment and service plans for necessary system updates and expansion while maintaining product continuity for ease of integration and compatibility; and (2) authorizing the City Manager to execute an agreement with Motorola for the purchase of equipment and lifecycle maintenance services.

**SUMMARY**

In continued efforts to maintain the effectiveness, responsiveness, and safety of the Hayward Fire Department, there are necessary expenses that must be made to meet the needs of a fast-paced and high-functioning emergency response system. There is a current need to increase capacity of use in dispatch communication needs throughout the department. This request is an expansion of current equipment that is in daily use within fire operations in conjunction with all East Bay Regional Communications Systems (EBRCS). The purchase of the Motorola Console equipment will allow for the necessary expansion of dispatch systems in two locations while maintaining one operating system. The purchase of the additional equipment will require an increase in Measure C fund appropriations in the amount of \$640,894.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution

---

**File #:** CONS 23-201

---





**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Fire Chief

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Appropriate \$640,894 From the Measure C Operating Fund (Fund 101) For the Purchase of Motorola Dispatch Console Equipment and Service Plans and to Execute an Agreement With Motorola for Purchase of Those Products

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II): (1) approving the appropriation of \$640,894 in Measure C funds to purchase additional Motorola Dispatch Console equipment and service plans for necessary system updates and expansion while maintaining product continuity for ease of integration and compatibility; and (2) authorizing the City Manager to execute an agreement with Motorola for the purchase of equipment and lifecycle maintenance services.

### **SUMMARY**

In continued efforts to maintain the effectiveness, responsiveness, and safety of the Hayward Fire Department, there are necessary expenses that must be made to meet the needs of a fast-paced and high-functioning emergency response system. There is a current need to increase capacity of use in dispatch communication needs throughout the department. This request is an expansion of current equipment that is in daily use within fire operations in conjunction with all East Bay Regional Communications Systems (EBRCS). The purchase of the Motorola Console equipment will allow for the necessary expansion of dispatch systems in two locations while maintaining one operating system. The purchase of the additional equipment will require an increase in Measure C fund appropriations in the amount of \$640,894.

### **BACKGROUND AND DISCUSSION**

In 2007, there was a joint powers agreement initiated by the East Bay Regional Communications Systems Administration (EBRCSA) to standardize communications across all emergency response dispatch systems. This has been established using Motorola equipment. At the initiation of this decision, EBRCSA purchased 203 dispatch consoles for members, and assumed all maintenance and upgrading needs. Motorola has now been established as the only authorized console to continue cooperative use between emergency communications

systems. While EBRCSA no longer provides the consoles, they have continued to service and maintain the units as needed. The purchase of two additional consoles and four consolettes would allow for the necessary expansion of internal capabilities by placing new devices at the Emergency Operations Center at Fire Station 6.

In 2014, Hayward voters approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services. The necessary expansion of dispatch capabilities will directly impact the entire emergency response system, creating a safer environment for all Hayward residents and guests. The continued use of Motorola products will keep compliance with EBRCSA and will maintain interoperable and regionally compliant public safety radio system, which allows for effective communication between different agencies in emergency situations.

The purchase of the requested equipment will allow for the expansion of dispatch to two locations with one system. This will also strengthen the capacity of the City's Emergency Operations Center by having appropriate and compatible back up communications systems available to interconnect with the existing emergency response system. The cost of the equipment and maintenance service agreement totals \$640,894. An additional appropriation in the Measure C Operating Fund (Fund 101) is required to secure equipment and maintenance services with Motorola.

## **STRATEGIC ROADMAP**

This project aligns with the strategic roadmap core priority 1 "Enhance Community Safety & Quality of Life", with impact on the specific project Q5c - Implement Dispatch Needs Assessment and Capacity.

## **FISCAL IMPACT**

In 2014, Hayward voters approved Measure C, which authorized the City to increase the sales tax rate by one-half cent for, among other things, the restoration and maintenance of City services and facilities, including firefighting/emergency medical services.

There is insufficient budget appropriation available in FY 2023 to cover the cost of the additional equipment and maintenance service agreement. An increase in appropriation in the Measure C Operating Fund (Fund 101) in the amount of \$640,894 is required to allow for the purchase of two additional Motorola Consoles and four Consolettes, and lifecycle maintenance services. Of the total amount, \$414,573 is for the purchase of equipment, \$79,669 for Advanced Plus Services: Years 2 – 6, and \$146,652 for System Upgrade Agreement (SUA): Years 2- 6.

## **SUSTAINABILITY FEATURES**

The purchase of a compatible system will allow for continued maintenance agreements with EBRCSA and will minimize additional service agreements and technicians, or additional equipment needs to make another system type compatible.

**PUBLIC CONTACT**

There is no public contact needed for this item.

**NEXT STEPS**

If Council adopts the resolution to appropriate funds, staff will route the budget amendment to the Finance Department, and will execute the contract with Motorola to facilitate the purchase and installation of necessary equipment. Staff will then coordinate with EBRCSA to incorporate the new equipment into their operating system and initiate the maintenance agreement.

*Prepared by:* Lauren Dekas, Fire Administration Management Analyst I

*Recommended by:* Garrett Contreras, Fire Chief

Approved by:



---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROPRIATE \$640,894 FROM THE MEASURE C OPERATING FUND (FUND 101) FOR THE PURCHASE OF MOTOROLA DISPATCH CONSOLE EQUIPMENT AND SERVICE PLANS AND TO EXECUTE AN AGREEMENT WITH MOTOROLA FOR PURCHASE OF THOSE PRODUCTS

WHEREAS, the City of Hayward Fire Department has researched and identified a system compliant radio console system; and

WHEREAS, interagency communication is a vital piece of emergency management that allows the City's firefighters to respond to all emergency needs, and protect the life and property for the Hayward community; and

WHEREAS, the City Manager authorizes a sole source justification to purchase of Motorola dispatch site and consoles.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward hereby authorizes the City Manager to execute an agreement with Motorola for the purchase of equipment and lifecycle maintenance services.

FURTHERMORE, BE IT RESOLVED, that the City Council of the City of Hayward hereby approves the amendment to the FY 2023 Budget Resolution by increasing the Measure C Fund appropriation by \$640,894 for the purchase of equipment and lifecycle maintenance services with Motorola.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



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**File #:** WS 23-011

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Community Agency Funding: Fiscal Year 2024 Community Agency Funding Recommendations for Services, Arts & Music, Special Events, and Economic Development and Infrastructure and Overview of the FY 2024 Annual Action Plan

**RECOMMENDATION**

That the Council:

1. Conducts a work session regarding the FY 2024 Community Agency Funding recommendations prepared by the Community Services Commission;
2. Reviews and comments on the draft funding recommendations; and
3. Reviews and comments on the overview of the FY 2024 Annual Action Plan

**SUMMARY**

This report provides an overview of the FY 2024 Community Agency Funding process, the Community Services Commission (CSC) Application Review Committees' (ARCs) proposed funding recommendations for consideration by the CSC, and next steps in the funding process. Funding is allocated from two sources: Hayward's Community Development Block Grant (CDBG) annual entitlement and the City's General Fund.

The amount of funding requested for FY 2024 continues to increase compared to previous years. The continual increase in requested funds resulted in a highly competitive funding allocation process for the FY 2024 cycle. Consequently, the ARCs were faced with challenging decisions about how to appropriately allocate funds with consideration for the CSC and City's goals to provide resources and services for those in the community who need it the most. The proposed funding is summarized by category in Table 1 on the following page and in detail in Attachment II. CDBG funds are based on the FY 2024 actual entitlement award, received in March.

This report summarizes the funding recommendations for the City's annual entitlement of CDBG funds (\$1,527,801) for economic development, infrastructure, and public services, and \$686,950 in General Funds for social services, arts and music programs, and special events. The report concludes with a high-

level overview of the Department of Housing and Urban Development's (HUD) required FY 2024 Annual Action Plan, which specifies the City's priority needs and goals for using CDBG entitlement funds in FY 2024.

**Table 1. Summary of Recommended Funding Allocation by Category**

Funding Source	Category	Recipient	Amount
General Fund	Arts & Music	Community Agencies	\$105,301
General Fund	Special Events	Community Agencies	\$66,708
General Fund	Social Services	Community Agencies	\$454,950
CDBG	Public Services	Community Agencies	\$267,416
CDBG	Economic Development/Infrastructure	Community Agencies	\$653,120
<b>Total ARC Recommended Grants</b>			<b>\$1,547,492</b>
CDBG	HUD-Required Fair Housing Services	Community Agency	\$25,000
CDBG	Home Rehabilitation & Infrastructure Project Management	Community Agency	\$325,000
<b>Total Non-Competitive Grants</b>			<b>\$350,000</b>
<b>GRAND TOTAL FY 2024 RECOMMENDED FUNDING (ALL SOURCES)</b>			<b>\$1,897,492</b>

**ATTACHMENTS**

- Attachment I      Staff Report
- Attachment II     Funding Recommendations



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT** Community Agency Funding: Fiscal Year 2024 Community Agency Funding Recommendations for Services, Arts & Music, Special Events, and Economic Development and Infrastructure and Overview of the FY 2024 Annual Action Plan

## **RECOMMENDATION**

That the Council:

1. Conducts a work session regarding the FY 2024 Community Agency Funding recommendations prepared by the Community Services Commission;
2. Reviews and comments on the draft funding recommendations; and
3. Reviews and comments on the overview of the FY 2024 Annual Action Plan

## **SUMMARY**

This report provides an overview of the FY 2024 Community Agency Funding process, the Community Services Commission (CSC) Application Review Committees' (ARCs) proposed funding recommendations for consideration by the CSC, and next steps in the funding process. Funding is allocated from two sources: Hayward's Community Development Block Grant (CDBG) annual entitlement and the City's General Fund.

The amount of funding requested for FY 2024 continues to increase compared to previous years. The continual increase in requested funds resulted in a highly competitive funding allocation process for the FY 2024 cycle. Consequently, the ARCs were faced with challenging decisions about how to appropriately allocate funds with consideration for the CSC and City's goals to provide resources and services for those in the community who need it the most. The proposed funding is summarized by category in Table 1 on the following page and in detail in Attachment II. CDBG funds are based on the FY 2024 actual entitlement award, received in March.

This report summarizes the funding recommendations for the City's annual entitlement of CDBG funds (\$1,527,801) for economic development, infrastructure, and public services,<sup>1</sup> and \$686,950 in General Funds for social services, arts and music programs, and special events. The report concludes with a high-level overview of the Department of

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<sup>1</sup> 20% of the annual entitlement is set aside for administration (e.g., staff salaries, fair housing programming) and planning activities (e.g., homelessness point in time count, homelessness reduction strategic plan).



Housing and Urban Development’s (HUD) required FY 2024 Annual Action Plan, which specifies the City’s priority needs and goals for using CDBG entitlement funds in FY 2024.

**Table 1. Summary of Recommended Funding Allocation by Category**

Funding Source	Category	Recipient	Amount
General Fund	Arts & Music	Community Agencies	\$105,301
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<b>Total Non-Competitive Grants</b>			<b>\$350,000</b>
<b>GRAND TOTAL FY 2024 RECOMMENDED FUNDING (ALL SOURCES)</b>			<b>\$1,897,492</b>

## BACKGROUND

The CSC serves as an advisory body to the Hayward City Council. The CSC makes recommendations to Council regarding the distribution of Infrastructure and Economic Development (CDBG), Public/Social Services (CDBG/General Fund), and Arts and Music (General Fund) program funding through the annual Community Agency Funding (CAF) process. For FY 2024, the CSC is also making recommendations to Council regarding the distribution of Special Event funds for eligible community events that encourage inclusion and celebrate diversity in the Hayward community.

### The FY 2024 Community Agency Funding Process

The CAF process opened with the publication of a Notice of Funding Availability (NOFA) on September 30, 2022. The announcement was published in English and Spanish in the Daily Review; posted to the City’s website; and emailed to currently funded agencies, previously funded agencies, applicants from previous years and all other interested parties on the CSC mailing list. Furthermore, a Stack article featuring the NOFA and highlighting the introduction of the new requirements for requesting and awarding Cultural and Special Event funding was published in advance of the Mandatory Bidder’s Conference. Hayward City Council and Commissioners were also encouraged to share the NOFA with their networks. Several broadcast email reminders were also sent in advance of the Mandatory Bidder’s Conference held on November 1, 2022.

The CSC reviews all eligible applications, and the CSC Chairperson appoints three ARCs by funding category to conduct applicant interviews prior to drafting funding recommendations for Council review and approval. The three funding categories are:

- 1. Infrastructure and Economic Development (CDBG):** Affordable housing (not including new construction); housing rehabilitation; nonprofit facility improvements; job creation; and capacity building. Funds must meet one of three national objectives: benefit low-moderate income Hayward residents; prevent or eliminate slum blight; or meet an urgent need (i.e., disaster).

2. **Arts & Music/Special Events (General Fund):** Arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education. Free cultural and special events that meet the goals of the [Commitment for an Inclusive, Equitable, and Compassionate Community \(CIECC\)](#) policy, including but not limited to parades, gatherings, arts and crafts shows, fairs, festivals, athletic events, car shows, and musical and other live performances.
3. **Public/Social Services (CDBG/General Fund):** Benefit low-moderate income Hayward residents through programs to provide food security, health services, homelessness and anti-displacement services; legal services; youth and education services.

On February 15, 2023<sup>2</sup>, the CSC met and reviewed the preliminary draft recommendations made by each ARC. ARC Chairs summarized the discussion and rationale behind ARC decision-making. Additionally, the CSC heard public comment and initiated a 30-day public comment period for community members to submit feedback on the recommendations to the City and CSC. In-person quorum was not reached at the March CSC meeting. Staff presented the funding recommendations, received public comment, closed the public comment period for the draft recommendations, and received individual Commissioner feedback. Formal action was deferred to a future special meeting. On April 3, 2023 the CSC held a special meeting to act on the CAF funding recommendations and unanimously voted to recommend the recommendations as outlined in Attachment II.

## DISCUSSION

### **FY 2024 Community Agency Funding Process**

Each year, the City receives applications from community agencies requesting funding through the competitive CAF process. The CSC is responsible for reviewing the applications, interviewing applicants, and making recommendations to the Council for how a portion of the City's General Fund and the City's CDBG entitlement award should be allocated. As part of the Community Agency Funding process, the CSC Chair appoints three ARCs to conduct applicant interviews and make preliminary recommendations for full CSC consideration.

### **Available Funding and Funding Requests**

The majority of applications are reviewed through a competitive process to allocate \$686,950 from the General Fund and approximately \$1,300,000 from the City's estimated CDBG entitlement, after the costs of administration and planning are set aside.<sup>3</sup> Staff used past allocations to estimate the FY 2024 CDBG entitlement award and the City's General Fund contribution.

By the December 2, 2022, deadline, the City received 58 applications for FY 2024 funding, with 18 new proposed programs/events and 13 new applicants. Given the new funding caps and emphasis on diversifying funding sources, two Special Event applicants determined that

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<sup>2</sup> February 15, 2022, Community Services Commission Staff Report and Attachment <https://hayward.legistar.com/LegislationDetail.aspx?ID=6021793&GUID=5EFD5D90-DD28-444C-8E84-3300746EA3BA&Options=&Search=>

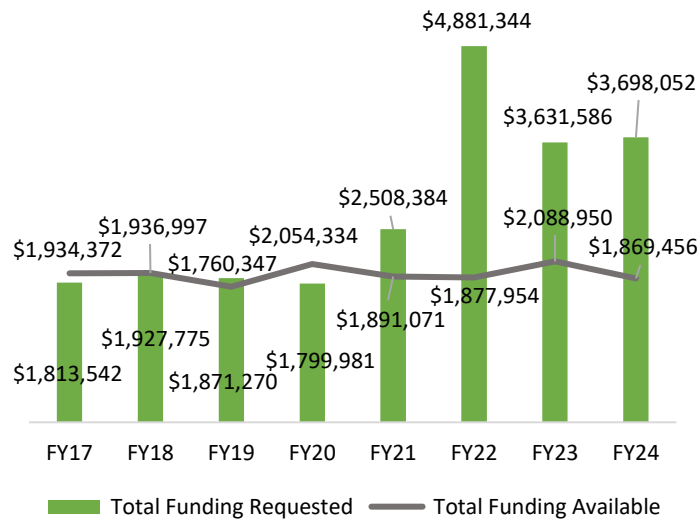
<sup>3</sup> Staff estimate this allocation based on previous years' entitlement awards. The actual award is expected to be announced by the end of March.

their eligible funding amounts were insufficient to host their events, and voluntarily withdrew their applications.

The ARCs reviewed applications in December 2022 and conducted interviews over two Saturdays in January 2023. Subsequently, the ARCs deliberated and made allocation recommendations using estimates made by staff based on assumed funding from HUD and the City.

Similarly to prior years, the amount of funding requested for both General Fund and CDBG allocations exceeded available funding, which resulted in a highly competitive funding allocation process for the FY 2023 cycle. Furthermore, even after Council increased the amount of funding for Art and Music programs in FY 2023, the FY 2024 funding requests far exceeds the amount of available funding, as shown in Figure 1 below.

**Figure 1. Funding Requests and Availability since FY 2017<sup>45</sup>**



In total, the Public/Social Services, Arts and Music/Special Events, and Infrastructure/Economic Development ARCs interviewed applicants who requested the amounts listed in Table 2 on the following page.

**Table 2. Requested FY 2024 Funding by Category**

<sup>4</sup> Total funding available in this figure is based on estimates used at the time of ARC deliberations.

<sup>5</sup> The significant increase in funding requests for FY 2022 are partially driven by \$2.3M in requests from three agencies for capital or property acquisition projects.

Category	Funding Source	Number of Applicants	Amount Requested	Amount Available
<b>Competitive</b>				
Arts and Music	General Fund	6	\$139,857	\$132,000
Special Events	General Fund	12	\$92,500	\$100,000
Social Services	General Fund	19	\$880,162	\$454,950
Public Services	CDBG	7	\$362,577	\$233,243*
Economic Development	CDBG	4	\$635,637	\$599,263*
Infrastructure	CDBG	4	\$1,187,319	
<b>Non-Competitive</b>				
HUD Required Fair Housing Services <sup>6</sup>	CDBG	1	\$25,000	\$25,000
Home Rehabilitation & Infrastructure Project Management	CDBG	2	\$325,000	\$325,000
<b>TOTALS</b>		<b>56</b>	<b>\$3,698,052</b>	<b>\$1,869,456*</b>

\* Based on estimates and used at the time of the ARC deliberations

### *Non-Competitive Applications*

Per the City of Hayward Compliance Policy Manual adopted by Council in 2014, in each CDBG program year, the cost of administration and HUD-related fair housing activities are subtracted from the annual entitlement award amount. In 2019, staff conducted a competitive RFP process for HUD-mandated fair housing services and Eden Council for Hope and Opportunity (ECHO) was selected. Through the Alameda County analysis of impediments to fair housing completed in 2020, the City committed to funding home rehabilitation programs to prevent displacement of low-income households. For FY 2024, \$25,000 from the CDBG category is allocated to ECHO to provide fair housing services to Hayward residents. This award is required by HUD and the expenses are paid out of the CDBG Administration funds and do not count towards the CDBG Public Services cap.

Furthermore, the City allocates an additional \$25,000 to Habitat for Humanity to support project management of the CDBG infrastructure grants, ensuring the City maintains compliance with federal regulations.

Based on guidance from Council at the April 17, 2018<sup>7</sup> meeting, Eden Information and Referral (EIR) was removed from the competitive pool of CAF applicants and has since received a non-competitive Services award of \$50,000 from the General Fund to operate 2-1-1 services. EIR is the sole provider of 2-1-1 in Alameda County and the agency has contractually provided critical information and referral services for 45 years. They also serve as the county-wide call center for Alameda County's Coordinated Entry System. Funds are provided through a consortium of 14 cities and several County agencies and departments. Since receiving this direction, EIR's allocation has been taken from the competitive funding pool prior to ARC deliberations.

<sup>6</sup> These funds are allocated from the City's administration and planning set-aside, so they do not impact the HUD-mandated 15% cap on CDBG funds for public services.

<sup>7</sup> April 17, 2018, Staff Report and Attachments

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3478580&GUID=2981C591-F2C9-4FA2-A12C-29BD575383EA&Options=&Search=>

Given the growing gap in funding requested versus funding available, the CSC and staff recommend a separate \$50,000 allocation be included in the annual budget process to support 2-1-1 services, starting in FY 2025. This would result in an additional \$50,000 being made available through the competitive process that previously was reserved for 2-1-1 services. Staff have identified unallocated FY 2023 funding to support a direct allocation to 2-1-1 for FY 2024 services, allowing for the fully budgeted \$454,950 to be distributed through the competitive funding process.

#### *Competitive Application Review*

After allocating the non-competitive projects, the remaining funds are made available to eligible community partners and social service applicants through the CAF process. Each application is thoroughly reviewed by staff and the CSC, and agency specific questions are compiled and shared with applicants prior to their interview. During this process, agencies are given ten minutes to present their projects to the appropriate ARC, then an additional ten minutes to answer questions from the ARC. As with last year's funding process, all interviews were held virtually using Microsoft Teams.

Following the interviews, each ARC engaged in extensive deliberation, weighing criteria that included agencies' capacity, leveraging of other funds, history providing quality services, ability to meet target outcomes, and the community's need for the service. Additional consideration was taken in evaluating the number of applications a single agency submitted and the over impact that any one agency's recommended funding would have on the total available funds. Their recommendations are reported in detail in Attachment II.

#### **Funding Approach**

The CSC approaches the CAF process with the intent to use available funds for the greatest impact by providing needed services for the City's most vulnerable residents. The CSC is committed to refining this process and continually makes changes to ensure that funding recommendations are in alignment with Council priorities and are responsive to emerging needs. As a result of the most recent CAF review process, modifications were made to better align recommendations to Council priorities, streamline funding opportunities, create a more systematic way to evaluate applications and promote a more equitable distribution of funding amongst community organizations serving different Hayward populations.

#### *CDBG Estimated vs. Actual Award*

The City typically receives its CDBG entitlement award notification by late March. Annually, staff use past entitlement awards to estimate the subsequent year's entitlement award. The CSC developed their initial FY2024 funding recommendations based on an estimated entitlement award amount of \$1,300,000. As part of deliberations, the CSC makes recommendations on how to allocate funds in excess of the estimated award.

The ARCs recommended allocating additional funds in excess of CDBG award estimates as depicted in Table 3 below.

**Table 3. Methodology of Recommended Allocations for Additional Funding by Category**

CATEGORY	GUIDING PRINCIPLES
Economic Development/ Infrastructure	<ul style="list-style-type: none"> <li>Designated two agencies to receive additional funding not to exceed the original requested amounts</li> </ul>
Public/Social Services	<ul style="list-style-type: none"> <li>Designated three agencies to receive additional funding not to exceed 75% of the original requested amounts</li> <li>Should there be additional funding, the funding will be allocated 50% to two of the three agencies identified in an amount not to exceed the original requested amounts</li> </ul>

In early March, the City was notified of its FY2024 CDBG entitlement award of \$1,527,801, which exceeds the amount staff estimated for the ARC deliberations. Table 4 below, outlines actual FY 2024 available funding in both the General Fund and CDBG monies.

The updated available FY 2024 funding is provided in Table 4 below.

**Table 4. Actual FY 2024 Available Funding**

FUNDING SOURCE	CATEGORY	AMOUNT AVAILABLE
General Fund	Arts and Music	\$132,000
	Special Events	\$100,000
	Social Services	\$454,950
<b>General Fund Total</b>		<b>\$686,950</b>
CDBG	Public Services	\$267,413
	Economic Development & Infrastructure	\$653,120
	HUD Required Fair Housing Services <sup>8</sup>	\$25,000
	Home Rehabilitation & Infrastructure Project Management	\$325,000
<b>CDBG Total</b>		<b>\$1,270,533</b>
<b>TOTAL AVAILABLE FUNDING</b>		<b>\$1,957,483</b>

**Recommended Allocations**

The preliminary ARC recommendations were presented to the CSC at the February 15, 2023, meeting.<sup>9</sup> At the meeting, the CSC heard public comments, the Chairs of each ARC summarized the discussion and decision-making of their ARC, and discussion ensued. As part of the discussion around equitable funding, the CSC noted the importance of an

<sup>8</sup> These funds are allocated from the City’s administration and planning set-aside, so they do not impact the HUD-mandated 15% cap on CDBG funds for public services.

<sup>9</sup> February 15, 2022, Community Services Commission Staff Report and Attachment <https://hayward.legistar.com/LegislationDetail.aspx?ID=6021793&GUID=5EFD5D90-DD28-444C-8E84-3300746EA3BA&Options=&Search=>

agency's ability to diversify funding and not solely rely on the City for ongoing financial support. At the CSC special meeting on April 3, 2023, the CSC unanimously approved the adjusted funding recommendations, which are presented for final review in this report and Attachment II.

### **Unallocated Special Events Funding**

As part of the recent CAF review process, the subcommittee reviewed the Special Event Support and Grant Program established by Council in 2019<sup>10</sup> and integrated special event funding into the annual CAF process. Modifications included caps for Special Events based on the number of prior years the event had been awarded City funding and the event's projected budget. Special Events applicants are not required to perform audits or acquire fiscal sponsors. As a result, the maximum possible award is limited to the category maximum based on years of prior funding or 20% of the event budget, whichever is less.

The recommended Special Event funding allocations fully fund all 12 Special Event applicants up to their allowable maximums. The recommendation would leave approximately \$33,000 in funding available. The CSC expressed desire to distribute these funds to further support Special Event applicants. To maintain a level of transparency and in an effort to equitably distribute funding in a timely manner, staff recommends distributing any unallocated funding through a separate administrative process.

After considering various options, staff recommends administering the \$33,000 in first come first serve grants in an amount of \$3,000. This process would only be available to Special Event applicants that submitted an application through the CAF process, including two applicants who submitted applications and subsequently withdrew themselves from the process due to the 20% grant budget cap.

Staff would notify the eligible Special Event applicants with instructions on how to separately apply for additional funding, including explanation of how additional funding will be used.

This process would be separate from the initial CAF process and would not impact the CAF recommendations nor will it be subject to the Special Event funding caps outlined in the Special Event guidelines. If there are funds available after this process, staff recommend carrying it forward to support the Special Event program in future years.

### **Racial Equity**

The CSC utilizes a racial equity lens in making funding recommendations through the CAF process. Recognizing that cultural humility and shared experience can assist in removing barriers to accessing service, it is the desire of the CSC to fund agencies that reflect the diversity of the community that they serve.

The CSC plays an active role in advancing racial equity in the CAF process and continues to implement changes to their approach for funding recommendations to support the advancement of racial equity. Examples of recent changes include requiring applicants to submit demographic data about their staffing, leadership, and Board of Directors, as well as asking agencies to describe efforts an organization is undertaking to address racial equity,

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<sup>10</sup> December 17, 2019, Staff Report and Attachments:  
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4281863&GUID=F67B2968-D186-4128-96D1-87C842FAAB61&Options=&Search=>

including any integration of Racial Equity into Strategic Planning and Implementation processes.

The CSC has requested staff offer translation services to interested applicants during the CAF process, particularly during the ARC interviews to help foster participation from non-English speaking applications. The CSC continues to play a critical role in recommending process improvements and funding towards social programs that provide free or low-cost services to the community, including vulnerable, marginalized, and underserved populations.

## The Annual Action Plan

### Overview

HUD requires that the City update its Annual Action Plan each year. The Annual Action Plan carries out the Consolidated Plan, which is updated every five years. Council approved the current FY 2021-2025 Consolidated Plan on June 23, 2020.<sup>11</sup> The Consolidated Plan identifies affordable housing, homelessness, housing preservation, and permanent supportive housing; community development of public facilities and public services; elderly, youth, and family education services; and economic development as priority needs for the City.

The FY 2024 Annual Action Plan summarizes the actions, activities, and financial resources to be used in FY 2023 to address the priority needs and goals identified in the 2021-2025 Consolidated Plan. Community input gathered during the Consolidated Planning process informed the development of these priority needs and goals. To achieve the City’s goals for its use of CDBG funds, the FY 2024 Annual Action Plan includes the projects listed in Table 5.

**Table 5. FY 2024 Annual Action Plan Projects**

<b>Project</b>	<b>Description</b>	<b>Sample Activities</b>
Public Facilities and Infrastructure	Improve and expand access to public infrastructure through development activities. Public facilities may include neighborhood facilities, non-profit agencies’ facilities, community centers, and parks and recreation facilities.	<ul style="list-style-type: none"> <li>• Repairs for non-profit facilities and shelters</li> <li>• Development to improve ADA compliance for public facilities</li> <li>• Acquisition of real property to improve capacity of public facilities</li> </ul>
Public Services	Provide supportive services for low-income and special needs populations, including services to address homelessness.	<ul style="list-style-type: none"> <li>• Homelessness outreach services</li> <li>• Youth and adult education programming</li> <li>• Employment training programs</li> <li>• Legal services</li> </ul>
Housing Programs	Provide rehabilitation resources for low-income homeowners to reduce risk of displacement and homelessness.	<ul style="list-style-type: none"> <li>• Minor and substantial home repair grants</li> </ul>

<sup>11</sup> June 23, 2020 Staff Report and Attachments:  
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4576644&GUID=7D9A237D-8934-4D4A-94FA-CFF24B9589CA&Options=&Search=>



<b>Project</b>	<b>Description</b>	<b>Sample Activities</b>
		<ul style="list-style-type: none"> <li>• Acquisition or rehabilitation of real property to increase affordable housing opportunities</li> </ul>
Economic Development	Provide economic development support to small businesses	<ul style="list-style-type: none"> <li>• Technical assistance to small businesses</li> <li>• Grants or loans to small businesses</li> </ul>
Administration	Citywide administration of the CDBG program for FY 2023	<ul style="list-style-type: none"> <li>• Staffing costs for administering the grant</li> <li>• Planning projects for future programs or development projects</li> <li>• Fair housing activities</li> </ul>

*Timeline*

Staff will publish a draft of the FY 2024 Annual Action Plan for public comment on April 4, 2023, with a Public Hearing for comment and Council recommendation for approval on April 25, 2023. The City’s public comment period will conclude on May 4, 2023 and staff will submit the report to HUD no later than Friday, May 12, 2023.

**ECONOMIC IMPACT**

The proposed programs funded through CDBG and the General Fund’s Social Services programs have a collective positive economic impact on the community, as they will increase food security; provide vital support services to help individuals and families maintain and obtain housing, such as legal aid, fair housing services, shelter, and home rehabilitation; and infuse capital and provide training for local small business.

**STRATEGIC ROADMAP**

These funding allocation recommendations support several of the City’s Strategic Roadmap priority areas, including Preserve, Protect, & Produce Housing; Grow the Economy; Improve Infrastructure; and Support Quality of Life.

**FISCAL IMPACT**

The CDBG Program has a neutral impact on the City’s General Fund, as a portion of CDBG funds (up to 20%) may be used to pay for eligible Planning and Administration of the Program. Potential reductions to the City’s CDBG grant size and unpredictable program income will result in equivalent reductions to available funds and to the administrative cap. The CDBG program remains an administratively complex undertaking requiring enhanced dedication of resources from recipients and subrecipients to meet federal reporting standards.

Social Services, Arts and Music, and Special Event funds are General Fund-based and subject to Council discretion. If other General Fund obligations require reductions to this funding, individual grants would be adjusted on a percentage basis accordingly. Historically, Council

has acknowledged Social Services grants support “safety net” services (i.e., food, housing, support services for low-income people, and information and referral) and has refrained from reducing or eliminating funding based on fiscal impact. Additionally, as part of the FY 2023 Annual Operating Budget, Council authorized an additional \$50,000 to support Arts and Music programs. These funds are included in the FY 2024 CAF recommendations.

## **PUBLIC CONTACT**

The Public Comment period for the FY 2024 recommended funding allocations and the FY 2024 Annual Plan is in place from April 4, 2023, through May 4, 2023. Public comment on the Community Agency Funding Process and Annual Action Plan will be heard at the Public Hearing on April 25, 2023. Additionally, prior to this Work Session item, the public had the opportunity to provide public comment on the CAF process during the public comment period and at the CSC’s February 15, 2023 and March 15, 2023, meetings.

## **NEXT STEPS**

Next steps include the following:

- On Tuesday, April 25, 2023, a Public Hearing will be held regarding the FY 2024 funding recommendations and FY 2024 Annual Action Plan at the City Council meeting.
- On Thursday, May 4, 2023, the City’s public comment period will conclude.
- Staff will address public comment and on May 12, 2023, will submit the FY 2024 Annual Action Plan to HUD.

*Prepared by:* Carol Lee, Management Analyst

*Recommended by:* Jessica Lobedan, Community Services Manager  
Regina Youngblood, Assistant City Manager

*Approved by:*



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Kelly McAdoo, City Manager

COMMUNITY SERVICES COMMISSION COMMUNITY AGENCY FUNDING RECOMMENDATIONS FY 2024					
CATEGORY	AGENCY	PROJECT	FY 2023 FUNDING	FY 2024 REQUESTS	FY 2024 RECOMMENDATIONS
<b>CDBG - ECONOMIC DEVELOPMENT &amp; INFRASTRUCTURE</b>					
Economic Development	Centro Community Partners	Technical Assistance Programs and Services for Small Businesses and Underserved Entrepreneurs	\$ 45,445	\$ 50,000	\$ 50,000
Economic Development	Downtown Streets Inc	Hayward Downtown Streets Team*	\$ 206,920	\$ 208,297	\$ 208,297
Infrastructure-Neighborhood Facilities	Community Child Care Council (4-Cs) of Alameda County	Child Care Initiative Project	\$ 45,000	\$ 45,000	\$ 45,000
Infrastructure-Neighborhood Facilities	First Presbyterian Church of Hayward dba South Hayward Parish	South Hayward Parish Critical Infrastructure Upgrade	\$ 193,800	\$ 123,500	\$ 123,500
Infrastructure-Neighborhood Facilities	Habitat for Humanity East Bay/Silicon Valley, Inc.	Home Repair Program	\$ 224,500	\$ 175,000	\$ 175,000
Infrastructure-Neighborhood Facilities	Love Never Fails	IT Biz	\$ 127,000	\$ 332,340	\$ 142,850
Infrastructure-Neighborhood Facilities	Love Never Fails	I AM Launch House	\$ -	\$ 554,000	\$ -
Infrastructure-Neighborhood Facilities	Rebuilding Together Oakland	Rehabilitation and Repair	\$ 150,000	\$ 150,000	\$ 150,000
Infrastructure-Neighborhood Facilities	Ruby's Place	Program Enhancement: Tiny Homes on Wheels	\$ 250,419	\$ 250,419	\$ 83,473
Infrastructure-Neighborhood Facilities	St. Rose Hospital Foundation	Sub Acute Facility	\$ 49,599	\$ 259,400	\$ -
<b>TOTAL CDBG ECONOMIC DEVELOPMENT &amp; INFRASTRUCTURE</b>			<b>\$ 1,292,683</b>	<b>\$ 2,147,956</b>	<b>\$ 978,120</b>
<b>CDBG - PUBLIC SERVICES</b>					
Information & Referral	Love Never Fails	Community Engagement Center	\$ -	\$ 62,190	\$ -
Housing and Homelessness	A-1 Community Housing Services	Housing Counseling	\$ -	\$ 27,795	\$ 27,795
Housing and Homelessness	Abode Services	Alameda County Impact	\$ 49,124	\$ 54,786	\$ 41,090
Housing and Homelessness	Centro Legal de la Raza	Tenant Rights	\$ 93,998	\$ 100,000	\$ 85,069
Housing and Homelessness	Eden Council for Hope and Opportunity	Tenant/Landlord Services	\$ 15,000	\$ 15,000	\$ 15,000
Housing and Homelessness	Ruby's Place	Shelter and Children	\$ 45,141	\$ 45,141	\$ 45,141
Housing and Homelessness	The Alliance for Community Wellness dba La Familia	FESCO Les Marquis House - Emergency Shelter	\$ 45,141	\$ 57,665	\$ 53,318
Housing and Homelessness	Eden Council for Hope and Opportunity	Fair Housing Services**	\$ 25,000	\$ 25,000	\$ 25,000
<b>TOTAL CDBG PUBLIC SERVICES</b>			<b>\$ 273,404</b>	<b>\$ 387,577</b>	<b>\$ 292,413</b>
<b>GENERAL FUND - SERVICES</b>					
Food Security	05 Sikh Seva*	Feed the Hayward Community*	\$ -	\$ 18,250	\$ 10,000
Food Security	First Presbyterian Church of Hayward (FPCH) dba South Hayward Parish	South Hayward Parish Food Pantry*	\$ -	\$ 50,000	
Food Security	Mercy Retirement & Care Center	Mercy Brown Bag Program	\$ 25,000	\$ 20,000	\$ 14,665
Food Security	Spectrum Community Services	Meal Program for Seniors	\$ 25,000	\$ 50,000	\$ 33,693
Health	Bay Area Community Health (BACH)	HIV Program - Early Intervention Services	\$ -	\$ 25,000	\$ 12,994
Health	Crisis Support Services of Alameda County	Expanding Mental Health and Suicide Prevention Services in Hayward	\$ 25,000	\$ 34,000	\$ 21,036
Housing and Homelessness	Building Opportunities for Self Sufficiency (BOSS)	South County Homeless Project (SCHP)	\$ 18,000	\$ 50,000	\$ 30,833
Housing and Homelessness	Community Resources for Independent Living (CRIL)	Hayward Housing Services	\$ 20,000	\$ 25,000	\$ 15,645
Housing and Homelessness	Family Violence Law Center	Family Violence and Homelessness Prevention Project	\$ 59,745	\$ 60,000	\$ 41,858
Housing and Homelessness	First Presbyterian Church of Hayward (FPCH) dba South Hayward Parish	South Hayward Parish Shelter & Resource Center*	\$ -	\$ 100,000	\$ 69,565
Housing and Homelessness	First Presbyterian Church of Hayward (FPCH) dba South Hayward Parish	South Hayward Parish: Case Management Services	\$ 55,000	\$ 74,412	
Legal Services	Immigration Institute of the Bay Area	Legal Services for Immigrants	\$ 20,000	\$ 30,000	\$ 17,076
Legal Services	Legal Assistance for Seniors (LAS)	Legal Services & Education to Hayward Seniors	\$ 14,450	\$ 30,000	\$ 20,065
Youth & Education	East Bay Agency for Children (EBAC)	Hayward HUB Family Resource Center	\$ 40,000	\$ 50,000	\$ 31,315
Youth & Education	Eden United Church of Christ	Newcomer Navigation Center	\$ 50,000	\$ 75,000	\$ 49,235
Youth & Education	Eden Youth and Family Center	Eden Youth and Family Center	\$ 22,500	\$ 50,000	\$ 33,083
Youth & Education	El Puente Comunitario*	Parents In Action For Education*	\$ -	\$ 38,500	\$ 10,000
Youth & Education	Hayward Area Historical Society	Filipino Asian Basketball*	\$ -	\$ 50,000	\$ 10,000
Youth & Education	Horizon Services, Inc.	Lambda Project	\$ 35,000	\$ 50,000	\$ 33,887
<b>TOTAL SOCIAL SERVICES</b>			<b>\$ 409,695</b>	<b>\$ 880,162</b>	<b>\$ 454,950</b>
<b>GENERAL FUND - ARTS &amp; MUSIC</b>					
Arts & Music	Hayward Area Historical Society	Photograph and Collections Digitization	\$ 12,444	\$ 20,000	\$ 20,000
Arts & Music	Hayward Arts Council	Hayward Arts Council	\$ 13,500	\$ 20,000	\$ 20,000
Arts & Music	Love Never Fails	Healing Arts	\$ 10,615	\$ 56,062	\$ 25,000
Arts & Music	Pacific Chamber Orchestra	Discover Music educational assemblies for the HUSD Elementary Schools	\$ 6,750	\$ 20,000	\$ 16,506
Arts & Music	Ruby's Place***	Sun Gallery	\$ 14,000	\$ 20,000	\$ 20,000
Arts & Music	Youth Orchestra of Southern Alameda County (EBO)	Hayward Scholarships/Stipends	\$ 3,795	\$ 3,795	\$ 3,795
<b>TOTAL ARTS &amp; MUSIC</b>			<b>\$ 61,104</b>	<b>\$ 139,857</b>	<b>\$ 105,301</b>
<b>GENERAL FUND - SPECIAL EVENTS</b>					
Special Events	100K Trees for Humanity*	100K Trees for Humanity - Hayward*		\$ 10,000	\$ 10,000
Special Events	Building Opportunities for Self Sufficiency (BOSS)	Wellness Party & Resource Fair*		\$ 10,000	\$ 2,000
Special Events	Hayward Area Historical Society***	Hayward Municipal Band		\$ 7,500	\$ 7,085
Special Events	Hayward Business Association*	Latin Jazz Festival*		\$ 5,000	\$ 5,000
Special Events	Hayward Business Association*	Vintage Alley Car Show*		\$ 7,000	\$ 5,795
Special Events	Kuma Hula Association of Northern California*	Hawaiian May Day Festival 2024*		\$ 10,000	\$ 10,000
Special Events	La Alianza De Hayward*	Annual Cinco De Mayo Festival*		\$ 7,000	\$ 3,858
Special Events	West Coast Blues Society	Russell City Awareness Concert Series & Juneteenth Celebration		\$ 5,000	\$ 3,000
Special Events	The Alliance for Community Wellness DbA La Familia	La Familia - Building Community through Culture*		\$ 5,000	\$ 5,000
Special Events	The Araminta Ross Foundation*	Community Resource Fair		\$ 10,000	\$ 3,000
Special Events	Treasures Unleashed*	Treasures Unleashed*		\$ 6,000	\$ 1,970
Special Events	Velda Goe*	Kwanzaa: An-African American Cultural Tradition*		\$ 10,000	\$ 10,000
<b>TOTAL SPECIAL EVENTS</b>				<b>\$ 92,500</b>	<b>\$ 66,708</b>

\*New agency/program applying for funds

\*\*Non-competitive award

\*\*\*Fiscal Sponsor

All amounts are preliminary and subject to change. Final award amounts will be authorized by Hayward City Council in June 2023. CDBG awards are dependent upon FY 2023 federal funding allocations and GF awards are subject to available budgetary funding.



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

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**File #:** LB 23-015

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** City Manager  
City Attorney  
City Clerk

## **SUBJECT**

Council Vacancy and Appointment: Adopt a Resolution Appointing a Candidate to Fill a Two-Year Term City Council Vacancy or Consider Alternative Options for Filling the Vacancy

## **RECOMMENDATION**

That the Council reviews the remaining candidates from the January interview process and adopts a resolution (Attachment II) appointing one of the three remaining candidates to fill the unexpired term of Council Member Elisa Márquez; or directs staff to pursue one of the alternative options outlined in this report, including calling for a Special Election if the appointment process is unsuccessful.

## **SUMMARY**

In February 2023, Alameda County Supervisor Richard Valle tragically passed away. Following his sudden passing, the County Board of Supervisors conducted a recruitment, interview, and selection process. Council Member Elisa Márquez submitted her application for the vacancy and on March 30, was selected to fill the vacant District Two Supervisor position until the next election. She was sworn in on April 4, 2023, leaving a vacancy in her City Council seat that the Council will need to fill within the next 30 days. Following the November 2022 General Municipal Election, the City conducted an extensive outreach and interview process to fill the vacant Council seat created when Mark Salinas was elected Mayor. The Council appointed Dan Goldstein to fill that vacancy. There are three remaining candidates that the Council interviewed in January 2023 that are still interested in the vacancy at this time. Staff recommends reconsidering these three candidates and selecting one to fill Council Member Elisa Márquez' vacant City Council seat. Alternatively, Council could direct staff to conduct a new outreach and recruitment effort to allow the Council to interview and appoint a candidate in the next 30 days or to call for a Special Election if the appointment process is unsuccessful.

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**File #:** LB 23-015

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**ATTACHMENTS**

Attachment I      Staff Report  
Attachment II      Resolution



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** City Manager  
City Clerk  
City Attorney

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## **BACKGROUND**

In February 2023, Alameda County Supervisor Richard Valle tragically passed away. Supervisor Valle served and represented District Two, which includes the City of Hayward. Following his sudden passing, the County Board of Supervisors conducted a recruitment, interview, and selection process. Council Member Elisa Márquez submitted her application for the vacancy and on March 30, was selected to fill the vacant District Two Supervisor position until the next election. She was sworn in on April 4, 2023, leaving a vacancy in her City Council seat that the Council will need to fill within the next 30 days.

Section 501 of the Charter of the City of Hayward (“Vacancy in Elective Office”) provides guidance when an elective office becomes vacant:

*“A vacancy in an elective office shall be filled by appointment by the City Council, such appointee to hold office until the first Tuesday following the next General Municipal Election and until the officer’s successor is elected and qualified. At the next General Municipal Election following any such appointment, the person so elected shall serve for the remainder of any unexpired term.*

*No appointment to fill a vacancy in an elective office shall be made during such time prior to a General Municipal Election that nomination papers may be filed for candidates seeking office at said election. In the event that Council shall fail to fill a vacancy by appointment within thirty days after such office shall have become vacant, it shall forthwith cause an election to be held to fill such vacancy (AMENDED: STATS. 1964 CH. 41; Amended on November 3, 2020)”*

Following the November 2022 General Municipal Election, the City conducted an extensive outreach and interview process to fill the vacant Council seat created when Mark Salinas was elected Mayor. The Council appointed Dan Goldstein to fill that vacancy. Council Member Elisa Márquez was reelected to her current City Council seat in November 2020 and her term would have expired in November 2024. Her appointment to the County Board of Supervisors leaves a vacancy in this Council seat until the next General Municipal Election in November 2024. Per the provisions of the City Charter and given that Council Member Márquez was sworn in on April 4, 2023, the Council now has until May 4, 2023 to fill the vacancy or will be required to call for a special election.

## **DISCUSSION**

Given that the City Council just completed an extensive outreach and interview process to fill a vacant Council seat in January 2023, staff recommends appointing for the current vacancy from the remaining list of candidates. At the December 13, 2022 City Council meeting<sup>1</sup>, the Council approved a process for filling a two-year City Council vacancy created when Council Member Mark Salinas was elected Mayor and sworn into office on December 13, 2022. Following the Council meeting and as directed, City staff issued a news release

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<sup>1</sup> December 13, 2022 City Council Meeting – Council Vacancy Process [CITY OF HAYWARD - File #: LB 22-026 \(legistar.com\)](https://legistar.com)

about the Council vacancy and a Notice of Vacancy was published in the Daily Review c/o Bay Area News Group-East Bay on December 16, 2022.

At the January 3, 2023 City Council meeting<sup>2</sup>, the Council accepted applications from forty-five qualified candidates and approved the interview process to select a member of the City Council. On January 5, 2023, members of the City Council individually nominated up to five applicants and submitted their selections to the City Clerk. The City Clerk tallied choices and invited applicants who received five or more points to interview with the City Council on Monday, January 9, 2023. The Council interviewed the following individuals during the January 9 meeting: Dan Goldstein; Artavia Berry; Ray Bonilla; Austin Bruckner; and Aidan Ali-Sullivan. Dan Goldstein was appointed as a result of this process. Aidan Ali-Sullivan has since withdrawn his name from consideration in this current process.

Following the January selection process, the City Manager received feedback that the nomination and selection process was somewhat confusing. As such, staff is recommending an alternative selection process that mirrors the recent voting process the County Board of Supervisors used to fill the vacant District Two position. Staff recommends that the Council use this process or, alternatively, any member of the Council may make a nomination from those named and, if the nomination receives a second, then the full Council will vote on the nomination. This process would continue until a nominee receives four votes.

If the Council chooses to appoint from the remaining three candidates at this evening's meeting, the suggested voting process follows:

Round 1:

The Council will be presented with the names of all candidates who were interviewed for the position. Each Council Member will then vote orally by roll call vote for as many as two candidates. The City Clerk shall tally the votes and announce the results aloud. The two candidates who receive the greatest number of votes will be retained for consideration in the next round.

Round 2:

The Council will be presented with a list of the two candidates who received the greatest number of votes in Round 1. Each Council Member will then vote orally by roll call vote for one candidate and the City Clerk shall tally the votes and announce the results aloud. The candidate receiving the highest number of votes will be the selected candidate to fill the vacancy.

Following this voting process, the Council would then need to make a formal motion with a second to adopt a resolution (Attachment II) to officially appoint the selected candidate for the vacancy. The new member would be sworn in at the beginning of the meeting on Tuesday, April 18, 2023 and would begin his/her duties at that meeting.

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<sup>2</sup> January 3, 2023 City Council Meeting – Council Vacancy Update [CITY OF HAYWARD - File #: LB 23-001 \(legistar.com\)](https://legistar.com)



Alternatively, the Council could direct staff to conduct another recruitment process similar to the one conducted in December 2022/January 2023. Staff does not recommend this alternative given the extensive process that was recently conducted and the amount of staff effort needed to undertake it.

### Special Election:

If the Council does not wish to make an appointment or is unable to achieve a majority vote<sup>3</sup> to appoint someone, the Charter requires that the matter go to election. In order for Council to accomplish that in a timely and fiscally responsible manner, Council would have to call for a Special Municipal Election and order a Mail Ballot Election. The City would need to call for the Special Municipal Election well before June 2, 2023 in order to meet the deadline for an August 29, 2023 Mail Ballot Election. The nomination filing would start May 8, 2023 and end June 2, 2023. These deadlines and the requirement that Council make a solid attempt to appoint a new member per the Charter before going to election puts pressure on the appointment timeline.

The City Clerk would not formally file the resolution calling for a Special Election with the Alameda County Registrar of Voters and Alameda County Board of Supervisors unless and until the appointment process fails within the 30-day period called for in the Charter or the Council chooses to proceed with the Special Election option. Should Council not be successful in the appointment process and miss the deadline to call for a Special Election (Mail Ballot Election), the option would remain to call for a Standalone Special Election, which would be at a time specified by Council after the August 29, 2023 Mail Ballot Election. This would be very expensive (\$19 - \$21 per registered voter) and should be considered only as a last and remote possibility.

### **FISCAL AND ECONOMIC IMPACT**

There is no economic impact associated with the appointment process. There is a potentially significant fiscal impact to the General Fund if Council defaults to the Special Municipal Election. Generally, a Standalone Vote by Mail Election would cost between \$9 - \$11 per registered voter and estimating 80,000 registered voters, the cost would be \$720,000-\$880,000.

### **STRATEGIC ROADMAP**

This agenda item does not relate to any of the priorities in the Strategic Roadmap.

### **NEXT STEPS**

If Council votes to appoint a new member from the remaining three candidates and adopts the attached resolution, the new member would be sworn in at the beginning of the April

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<sup>3</sup> A "majority vote" is four votes regardless of how many Council Members are in attendance at the meeting.

18, 2023 Council meeting and would begin service. If the Council chooses either alternative process (new full recruitment or special election), staff would take the steps necessary to proceed with these options.

Recommended by:

Kelly McAdoo, City Manager  
Miriam Lens, City Clerk  
Michael Lawson, City Attorney

Approved by:



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPOINTING \_\_\_\_\_ AS COUNCIL MEMBER FOR THE CITY OF HAYWARD

BE IT RESOLVED that the City Council of the City of Hayward hereby appoints \_\_\_\_\_ as Council Member, to serve for the remaining term of former Council Member Márquez. The term of appointment will expire subsequent to the certification of the canvass of the General Municipal Election to be held in November 2024, and assumption of the office of Council Member by the duly elected candidate.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** LB 23-014

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Stormwater Management and Urban Runoff Control Ordinance: Adopt a Resolution and Introduce Stormwater Ordinance Amendments Related to Municipal Regional (Stormwater) Permit-MRP 3.0 and Finding the Action is Exempt from CEQA Review

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) and introduces the ordinance (Attachment III) to amend the Stormwater Management and Urban Runoff Control ordinance (Chapter 11, Article 5 of the Municipal Code).

**SUMMARY**

This report presents proposed changes to the stormwater ordinance in response to the Municipal Regional Permit (MRP 3.0) requirements regarding trash reduction. The requirements adopted by the San Francisco Bay Regional Water Quality Control Board (Water Board) on July 1, 2022, require a 100% trash reduction in the City's stormwater system by July 1, 2025. The proposed ordinance changes include new language requiring property owners with documented trash violations to install full trash capture systems to prevent trash and other pollutants from entering the City's storm sewer system. On March 13, 2023, the draft ordinance was considered and unanimously recommended for approval by the Council Sustainability Committee (CSC).

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Stormwater Ordinance
Attachment III-a	Ordinance Text



**DATE:** April 11, 2023

**TO:** City Council

**FROM:** Director of Public Works

**SUBJECT** Introduction of Stormwater Ordinance Amendments Related to Municipal Regional (Stormwater) Permit-MRP 3.0 and Finding the Action is Exempt from CEQA Review

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) and introduces the ordinance (Attachment III) to amend the Stormwater Management and Urban Runoff Control ordinance (Chapter 11, Article 5 of the Municipal Code).

## **SUMMARY**

This report presents proposed changes to the stormwater ordinance in response to the Municipal Regional Permit (MRP 3.0) requirements regarding trash reduction. The requirements adopted by the San Francisco Bay Regional Water Quality Control Board (Water Board) on July 1, 2022, require a 100% trash reduction in the City's stormwater system by July 1, 2025. The proposed ordinance changes include new language requiring property owners with documented trash violations to install full trash capture systems to prevent trash and other pollutants from entering the City's storm sewer system. On March 13, 2023, the draft ordinance was considered and unanimously recommended for approval by the Council Sustainability Committee (CSC).

## **BACKGROUND**

The National Pollution Discharge Elimination System (NPDES) program was established in 1972 by the Federal Clean Water Act (CWA). The NPDES program was amended in 1986 to regulate stormwater runoff and established a permitting structure for municipal discharge to the waters of the state. From 1990 to 2009, each municipality in the Bay Area was regulated under countywide stormwater permits with individual requirements specific to each county. On October 14, 2009, the first regional stormwater permit, the MRP, was adopted by the San Francisco Bay Regional Water Quality Control Board (Water Board). The MRP regulated municipalities within the counties of Alameda, Contra Costa, Santa Clara, San Mateo as well as the cities of Fairfield, Suisun, and Vallejo and the Vallejo

Sanitation and Flood Control District. Municipalities and local agencies included in the MRP are referred to as 'Permittees'.

The first MRP, adopted on October 14, 2009, was adopted as a five-year permit and administratively extended through December 2015. The permit was revised and MRP 2.0 was adopted on November 19, 2015, and became effective on January 1, 2016. MRP 2.0 was to expire on June 30, 2021, but was extended through July 1, 2022. The Water Board adopted the new permit known as MRP 3.0<sup>1</sup> on May 11, 2022, and it became effective July 1, 2022.

On January 10, 2022<sup>2</sup>, staff presented to the CSC a summary of the trash reduction requirements in the MRP 2.0 and the proposed MRP 3.0 to regulate properties for trash violations. The requirements address those properties that discharge stormwater directly to the City's storm drain system and staff provided a recommended approach to address the requirements in the City's Stormwater Management and Urban Runoff Control ordinance<sup>3</sup> (Chapter 11, Article 5 of the Municipal Code). Trash reduction requirements in the MRP 2.0 required Permittees to be responsible for private properties larger than 10,000 square feet that contribute to trash pollution to the storm drain system. If those private properties have private storm drains that bypass the City's storm drain inlets (meaning the City cannot treat their stormwater downstream) then the City must require the private property owners to control their trash or install their own full trash capture systems. As reported to the CSC on January 10, 2022, staff was mapping the private properties subject to the trash reduction requirements and had estimated that more than 850 parcels were potentially subject to the regulation. The new MRP 3.0 modified the requirement by removing the 10,000 square-foot minimum area. Staff predicts the number of properties requiring enforcement oversight for trash reduction will double.

On March 14, 2022<sup>4</sup>, staff presented to the CSC an overview of the proposed changes in the then draft MRP. The amended regulatory requirements pertain to stormwater pollution prevention for both public and private properties and addresses municipal operations, new development, inspections, response to illicit discharges, education and outreach, water quality monitoring, and specific controls for pollutants of concern identified by the Water Board. There were no significant changes from the March draft to the final version that was adopted on May 11, 2022.

On March 13, 2023<sup>5</sup>, staff presented to the CSC an overview of proposed amendments to the stormwater ordinance (Chapter 11, Article 5 of the Municipal Code) to address the MRP 3.0 requirements for trash reduction and the mandate to control trash from private properties, particularly the requirement to control trash from identified private properties that bypass the City's storm drain inlets. The amendments include defining full trash capture and language to provide enforcement tools to achieve trash reduction on private

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<sup>1</sup> [https://www.waterboards.ca.gov/sanfranciscobay/board\\_decisions/adopted\\_orders/2022/R2-2022-0018.pdf](https://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/2022/R2-2022-0018.pdf)

<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=5374350&GUID=DDFCFD4C-97BB-45B3-80A0-D93A23E07F9E&Options=&Search=>

<sup>3</sup> [https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH11PUUT\\_ART5STMAURRUCO](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH11PUUT_ART5STMAURRUCO)

<sup>4</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=5523059&GUID=7112B7B8-AC21-4EC5-9289-D35DC0FCDE01&Options=&Search=>

<sup>5</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=6058171&GUID=CF24A795-A3B2-418F-A4FD-0C97B2C40222&Options=&Search=>

properties. The CSC voted unanimously to recommend that Council adopt the stormwater ordinance amendments. The CSC requested that staff focus on the largest litter generators first, including fast food establishments, coffee shops and retail stores. The CSC also requested signage be provided to those properties conducting good practices to control trash on their property. Staff concurred and will provide appropriate signage as public display for compliant properties so property owners can show their pride and to encourage others to help prevent litter.

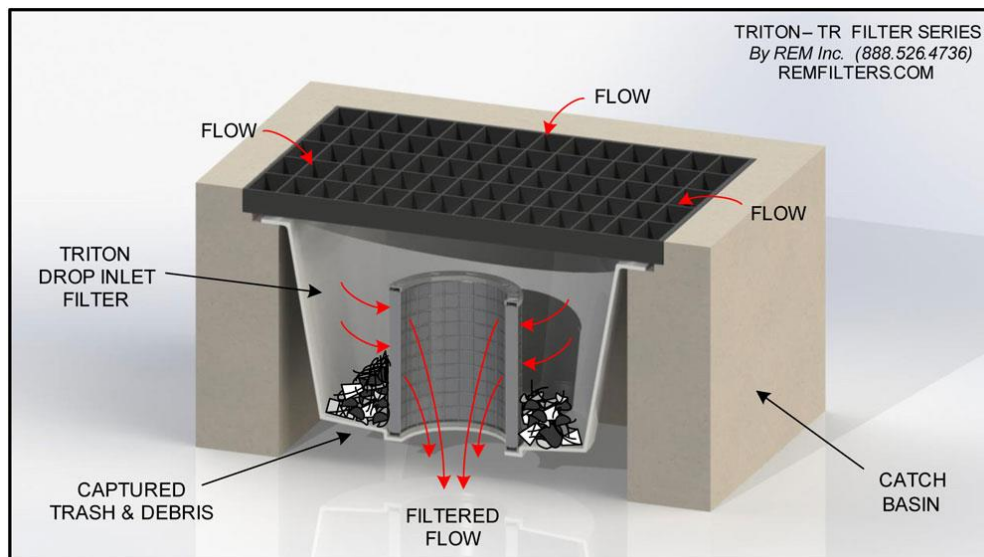
## DISCUSSION

Currently, the mandate for trash reduction in the City's stormwater system is 100% by July 1, 2025, as stated in the MRP 3.0. The City cannot achieve 100% compliance without controlling trash from private properties with their own private storm drains that bypass the City's storm drain inlets. To comply with the MRP 3.0, staff proposes to add language to the City's municipal Stormwater Management and Urban Runoff Control ordinance to provide enforcement tools to achieve trash reduction on private properties.

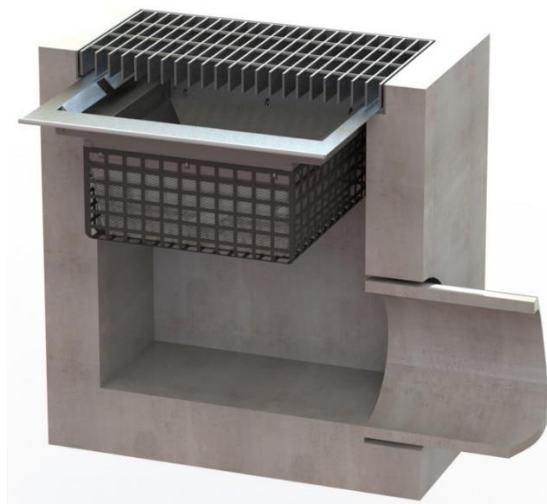
To meet the 100% reduction goal, staff intends to increase stormwater inspections and enforcement, which will include asking businesses to clean up their properties and take a more active role in managing trash from their establishments. City staff will review each business as appropriate prior to enforcement.

For private properties that are directly plumbed to the City's stormwater pipes and bypass the City's storm drain inlets, the proposed ordinance amendments would require trash reduction either through installation of full trash capture infrastructure or another equivalent method such as manual cleaning. The Water Board provides a list of approved full trash capture devices. Two examples of full trash capture devices for storm drain inlets are provided below as Figures 1 and 2.

**Figure 1: Triton Drop Inlet Filter**



**Figure 2: BioClean Grate Inlet Filter**



The proposed ordinance amendments also address private properties that are not plumbed directly to the City’s stormwater pipes, but have surface flow to City streets, gutters and inlets. The proposed ordinance would require better trash management for private properties and would require enforcement by Water Pollution Source Control (WPSC) inspectors. To help mitigate trash from these properties, the City has installed 629 small trash capture devices in inlets where feasible. These devices require regular cleaning (a device more than 50% full is a violation of the MRP 3.0) and better trash control from private properties will help to reduce the City’s cost of maintaining the devices.

While the proposed changes to the ordinance include some new definitions, the bulk of changes are to Section 11-5.22, “Reduction of Pollutants in Stormwater”. The amended ordinance also removes the full text of the MRP at the end of the ordinance and replaces it with a link to the current permit to prevent the City’s ordinance from becoming outdated when the MRP is regularly updated every five years. The full text of the proposed amendments is available on the City’s website<sup>6</sup> and in Attachment III – a summary is provided below:

- Define “Full Trash Capture System” as a device that traps trash down to 5mm in size as defined by the Regional Water Quality Control Board.
- Define “NPDES” as the National Pollutant Discharge Elimination System to update the ordinance with regulatory terms.
- Define “Stormwater Management Facility” as a device that treats stormwater such as a “Full Trash Capture System”.
- Define “Premises” as a property with structures, sidewalks, and parking strips (examples such as a parking lot or commercial building are included).
- Section 11-5.22 is amended to require:

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<sup>6</sup> [https://www.hayward-ca.gov/sites/default/files/ARTICLE\\_5\\_STORMWATER\\_MANAGEMENT\\_URBAN\\_Runoff\\_edits\\_Final021423.pdf](https://www.hayward-ca.gov/sites/default/files/ARTICLE_5_STORMWATER_MANAGEMENT_URBAN_Runoff_edits_Final021423.pdf)



- Installation of a Full Trash Capture System within four months of written notice to prevent trash and other pollutants from entering the drainage facilities. Also, an operation and maintenance agreement may be required to be recorded with the property to ensure the Full Trash Capture System is maintained.
- Any transfer of ownership of the property must be communicated to the City and the new owners must be informed of their new obligation to maintain the Full Trash Capture System on the property.
- Any alteration or removal of the Full Trash Capture System is unlawful.

City staff will conduct regular inspections of private properties with private storm drains that bypass the City's storm drain inlets as well as all properties not treated with City owned full trash capture downstream. Property owners with trash violations would be advised to employ trash reduction methods (either on-land pick up of trash or installation of full trash capture devices) to avoid future citations for non-compliance. If a trash concern is confirmed, the property owner may be given an enforcement action at the discretion of the inspector, which can be a written warning, notice of violation or a citation with a fine depending upon the egregiousness of the trash found during the inspection.

Enforcement actions will include a requirement for the property owner to submit a plan describing how they will manage trash so it does not impact the storm drain system. The owner will have 10 days to submit the plan. If the presence of trash persists, staff may escalate enforcement, which can include further citations and/or a requirement for installation of a full trash capture device if pick-up efforts to contain trash are insufficient to control trash on the property. If full trash capture is infeasible or the drainage is not directly connected to the City's main storm drainpipe in the street, then the property owner would be required to implement frequent manual cleaning of the property and staff would schedule regular inspections of the property to ensure compliance.

The new proposed language supports staff's efforts to implement trash reduction requirements in the MRP as well as achieve a high level of standards to keep Hayward clean and compliant with stormwater regulation. With the emphasis on trash compliance during stormwater inspections and follow up enforcement actions as needed, staff will be able to document compliance with the MRP in annual reports to the Water Board.

## **ECONOMIC IMPACT**

Compliance with MRP Provision C.10 will result in costs to some Hayward businesses as compliance with trash reduction will require increased monitoring, trash pickup, and possible installation of trash capture facilities as determined through stormwater inspection and follow up for compliance. The cost of installing a trash capture device will depend on the shape and size of the storm drain inlets, number of inlets, and size of drainage area. The cost of a single device can range from a few hundred to thousands of dollars.

## **FISCAL IMPACT**

The City's compliance with the MRP is managed by Water Pollution Source Control (WPSC) staff within the Environmental Services Division of the Public Works & Utilities Department. Implementing MRP 3.0 trash reduction regulations will require increased field duties, oversight, administrator analysis and reporting. Funding for MRP-related activities is currently provided by the City's stormwater enterprise fund, which is funded by an assessment on property tax bills. However, expenditures have increased and are expected to increase in the future. Staff is challenged with finding innovative tools and other resources to comply with the MRP, but will continue to participate in the Alameda Countywide Clean Water Program and their committees to receive regional support for these efforts. Staff continues to seek external funding and grants for trash reduction.

## **STRATEGIC INITIATIVES**

This agenda item relates to the Strategic Priority of *Invest in Infrastructure*. Specifically, this agenda item relates to the implementation of the following projects:

Project N22: Meet regulatory requirements for zero trash in stormwater by installing trash capture devices

Project N22a: Install trash capture devices

Project N22b: Perform related trash reduction activities

## **SUSTAINABILITY FEATURES**

Preventing pollution from entering the storm drain system will benefit Hayward's aquatic ecosystems and the health of the San Francisco Bay and will help to create a clean and green community for Hayward residents and businesses.

## **ENVIRONMENTAL REVIEW**

Adoption of the proposed amendments to the Stormwater Management and Urban Runoff Control Ordinance are not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA"), because it has no potential for resulting in a physical change to the environment. In the event that this Ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action would have no or only a de minimis effect on the environment. The Ordinance is also exempt from CEQA under CEQA Guidelines section 15308, because it is a regulatory action for the protection of the environment.

## **PUBLIC CONTACT**

A letter explaining the proposed changes to the Stormwater Management and Urban Runoff Control ordinance was mailed to all property owners through the water bills over a period of three months (October through December of 2022). The letter explained the need for the ordinance change, the requirements of stormwater regulation to control trash from entering the environment and provided a link to this webpage<sup>7</sup>, which included the draft ordinance and listed public meetings (including the CSC and Council meeting) for the public to attend and comment about the proposed ordinance language. WPSC staff received two phone calls from single-family home property owners concerned about where and when to purchase full trash capture devices. Staff explained to the callers that the focus of the program will be on non-residential properties and any residential properties needing full trash capture devices would be notified and would first be given an opportunity to clean the property manually. The property owners understood and were happy the City was taking action to address litter.

## **NEXT STEPS**

If Council adopts the draft ordinance amendments, staff will begin the new inspection program for all private properties to comply with trash reduction and implement further enforcement actions as needed. Staff expects that all properties subject to the new requirements will be inspected and will work with property owners to achieve the 100% compliance mandate by July 1, 2025.

*Prepared by:* Elisa Wilfong, Water Pollution Control Administrator  
Erik Pearson, Environmental Services Manager

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

Approved by:



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Kelly McAdoo, City Manager

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<sup>7</sup> <https://www.hayward-ca.gov/services/city-services/stormwater-services>

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION TO ADOPT AMENDMENTS TO CHAPTER 11, ARTICLE 5,  
(STORMWATER MANAGEMENT AND URBAN RUNOFF CONTROL) OF  
THE HAYWARD MUNICIPAL CODE IN RESPONSE TO THE MUNICIPAL  
REGIONAL PERMIT (MRP 3.0)

WHEREAS, the National Pollution Discharge Elimination System (NPDES) program was established in 1972 by the Federal Clean Water Act (CWA) and the NPDES program was amended in 1986 to regulate stormwater runoff and established a permitting structure for municipal discharge to the waters of the state; and

WHEREAS, on October 14, 2009, the first regional stormwater permit, the Municipal Regional Permit or MRP, was adopted by the San Francisco Bay Regional Water Quality Control Board (Water Board) to regulate municipalities within the counties of Alameda, Contra Costa, Santa Clara, San Mateo as well as the cities of Fairfield, Suisun, and Vallejo and the Vallejo Sanitation and Flood Control District; and

WHEREAS, the second MRP, known as MRP 2.0, was adopted on November 19, 2015 and became effective on January 1, 2016; and

WHEREAS, MRP 2.0 was to expire on June 30, 2021, but was extended through July 1, 2022; and

WHEREAS, in May 2022, the Hayward City Council adopted a Strategic Roadmap identifying priority projects to meet regulatory requirements for zero trash in stormwater by installing trash capture devices by installing trash capture devices and performing related trash reduction activities; and

WHEREAS, the Water Board adopted a new permit known as MRP 3.0 on May 11, 2022, and it became effective July 1, 2022; and

WHEREAS, MRP 3.0 requires a 90% reduction in trash in the City's stormwater system by July 1, 2023, and a 100% trash reduction in the City's stormwater system by July 1, 2025; and

WHEREAS, private properties with private storm drains that bypass the City's storm drain inlets must prevent trash from reaching the City's stormwater system in order to allow the City to meet the MRP 3.0 mandate; and

WHEREAS, the City's existing stormwater inspection program is in need of additional enforcement tools to achieve trash reduction on private properties; and

WHEREAS, between October and December 2022, City staff conducted public outreach to solicit input on the draft ordinance amendments by including a letter with all water bills; and

WHEREAS, the City Council Sustainability Committee received reports and presentations on the draft MRP 3.0 January 10, 2022 and March 14, 2022; and

WHEREAS, on March 13, 2023, the City Council Sustainability Committee recommended adopting the draft amendments to the Stormwater Management and Urban Runoff Control Ordinance; and

WHEREAS, the provisions in the amended Ordinance are designed to allow City staff to require private property owners to either 1) keep their properties clean, or 2) install full trash capture devices; and

NOW, THEREFORE, BE IT RESOLVED that the aforementioned amendments to the Stormwater Management and Urban Runoff Control Ordinance are hereby adopted.

BE IT FURTHER RESOLVED that the City Council finds that this Ordinance is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in a physical change to the environment. In the event that this Ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action would have no or only a de minimis effect on the environment. The Ordinance is also exempt from CEQA under CEQA Guidelines section 15308, because it is a regulatory action for the protection of the environment. The foregoing determination is made by the City Council in its independent judgment.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2023.

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

ORDINANCE NO. 23-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

AN ORDINANCE AMENDING THE STORMWATER MANAGEMENT AND URBAN RUNOFF CONTROL ORDINANCE (CHAPTER 11, ARTICLE 5 OF THE HAYWARD MUNICIPAL CODE) IN RESPONSE TO THE MUNICIPAL REGIONAL PERMIT (MRP 3.0)

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and intent. it is the purpose and intent of this ordinance to amend the City's Stormwater Management and Urban Runoff Control Ordinance in response to the trash control requirements in the Municipal Regional Permit (MRP 3.0).

Chapter 11 of the Hayward Municipal Code  
(Public Utilities)

Chapter 11, Article 5 of the Hayward Municipal Code is amended as shown in Attachment III-a.

Section 2. Severability. The provisions of this Ordinance are severable, and if any clause, sentence, paragraph, provision, or part of this Ordinance, or the application of this Ordinance to any person, is held to be invalid or preempted by state or federal law, such holding shall not impair or invalidate the remainder of this Ordinance. If any provision of this Ordinance is held to be inapplicable, the provisions of this Ordinance shall nonetheless continue to apply with respect to all other covered development projects and applicants. It is hereby declared to be the legislative intent of the City Council that this Ordinance would have been adopted had such provisions not been included or such persons or circumstances been expressly excluded from its coverage.

Section 3. Effective Date. The provisions of this Ordinance shall become effective 30 days following adoption by the City Council.





ARTICLE 5 - STORMWATER MANAGEMENT AND URBAN RUNOFF CONTROL<sup>71</sup>

Footnotes:

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**Note**— Amended in full by Ordinance 05-09, adopted September 27, 2005.~~TITLE, PURPOSE, AND GENERAL PROVISIONS~~

## SEC. 11-5.10 - TITLE.

This article shall be known as the "City of Hayward Stormwater Management and Urban Runoff Control Ordinance" and may be so cited.

## SEC. 11-5.12 - PURPOSE AND INTENT.

The purpose of this article is to ensure the future health, safety, and general welfare of the residents of the City by:

- (a) eliminating non-stormwater discharges to the municipal separate storm sewer;
- (b) controlling the discharge to municipal separate storm sewers from spills, dumping, or disposal of materials other than storm water; and
- (c) reducing pollutants in storm water discharges to the maximum extent practicable.

The intent of this ordinance is to protect and enhance the water quality of watercourses, water bodies, and wetlands in a manner pursuant to and consistent with the Clean Water Act and the current Municipal Regional Stormwater National Pollutant Discharge Elimination System (NPDES) Permit (Order No. R2-~~20152022-00490018~~), which is available at

[https://www.waterboards.ca.gov/sanfranciscobay/water\\_issues/programs/stormwater/](https://www.waterboards.ca.gov/sanfranciscobay/water_issues/programs/stormwater/)  
[http://www.waterboards.ca.gov/rwqcb2/water\\_issues/programs/stormwater/Municipal/](http://www.waterboards.ca.gov/rwqcb2/water_issues/programs/stormwater/Municipal/).

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

## SEC. 11-5.13 - DEFINITIONS.

- (a) Any terms defined in the federal Clean Water Act, and acts amendatory thereof or supplementary thereto, or defined in the regulations for the stormwater discharge permitting program issued by the Environmental Protection Agency on November 16, 1990 (as may from time to time be amended) as used in this article shall have the same meaning as in that statute or those regulations. Specifically, the definitions of the following terms included in that statute or those regulations are hereby incorporated by reference, as now applicable or as may hereafter be amended: administrator, discharge of a pollutant, illicit discharge, navigable waters, point source, pollutants, pollution, publicly owned treatment works, and stormwater. These terms are presently defined as follows:
  - (1) *Administrator*: The Administrator of the United States Environmental Protection Agency.
  - (2) *Discharge of a Pollutant*: (a) Any addition of any pollutant to navigable waters from any point source, or (b) Any addition of any pollutant to the waters of the contiguous zone or the ocean from any point source other than a vessel or other floating craft.

- (3) Full Trash Capture System: Any device or series of devices that traps all particles retained by a 5mm mesh screen and has a design treatment capacity of not less than the peak flow rate resulting from a one-year, one-hour storm in the sub-drainage area or designed. All Full Trash Capture Systems must be approved the Regional Water Quality Control Board.
- (34) —Illicit Discharge: Any discharge to the City storm sewer system that is not composed entirely of stormwater except exempt discharges pursuant to the NPDES permit.
- (45) *Navigable Waters: All navigable waters of the United States; tributaries of navigable waters of the United States; interstate waters; intrastate lakes, rivers, and streams which are utilized by interstate travelers for recreational or other purposes; intrastate lakes, rivers, and streams from which fish or shellfish are taken and sold in inter-state commerce; and intrastate lakes, rivers, and streams which are utilized for industrial purposes by industries in interstate commerce.*
- (6) NPDES: (National Pollutant Discharge Elimination System): A permit program of the United States Environmental Protection Agency that addresses water pollution by regulating point sources that discharge pollutants to waters of the United States. The NPDES program was created by the Clean Water Act in 1972.
- (57) —Point Source: Any discernible, confined, and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which pollutants are or may be discharged.
- (68) *Pollutants: Dredged soil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste discharge into water.*
- (79) *Pollution: The man-made or man induced alteration of the chemical, physical, biological, and radiological integrity of water.*
- (810) *Publicly Owned Treatment Works (POTW): Any device or system used in the treatment (including recycling and reclamation) of municipal sewage or industrial wastes of liquid nature which is owned by a state or municipality. This definition includes sewers, pipes, or other conveyances only if they convey wastewater to a POTW providing treatment.*
- (911) *Regulated Project: "Regulated Project," as used in this Article, refers to projects as defined in NPDES Permit No. CAS612008 and any amendment or revision thereto, or reissuance thereof. However, the City has the authority to expand this definition, when deemed appropriate, to include any development or redevelopment project.*
- (4012) *Significant Redevelopment Project: "Significant Redevelopment Project," as used in this Article, refers to both projects as defined in NPDES Permit No. CAS612008 and any amendment or revision thereto, or reissuance thereof. However, the City has the authority to expand this definition, when deemed appropriate, to include any redevelopment project.*
- (4413) *Stormwater: Stormwater runoff, snow melt runoff, and surface runoff and drainage.*
- (14) Stormwater Management Facility: Any device designated to detain, retain, filter, or infiltrate stormwater including, without limitation, a Full Trash Capture System.
- (b) When used in this article, the following words shall have the meanings ascribed to them in this section:
- (1) *Authorized Enforcement Official: Individuals designated by the City Manager.*
  - (2) *—Best Management Practices (BMPs): Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of the waters of the United States. BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.*
  - (3) *City: The City of Hayward.*

- (4) *Municipal Storm Sewer System*: Includes but is not limited to those facilities within the City by which stormwater may be conveyed to waters of the United States, including any roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains, which is not part of a Publicly Owned Treatment Works.
- (5) *Non-Stormwater Discharge*: Any discharge of a pollutant that is not entirely composed of stormwater.
- (6) *Premises*: Any building, structure, facility, or installation, (including a building's ground or other appurtenances), and adjacent sidewalks and parking strips. Examples of Premises include, but are not limited to, parking lots, gasoline stations, industrial facilities, and other commercial enterprises. ~~*Premises*: Any building, lot parcel, real estate, or land or portion of land, whether improved or unimproved, including adjacent sidewalks and parking strips.~~
- (7) *Watercourse*: Watercourse is defined as a river, stream, creek, watercourse, waterway, or channel, including any property over which the City of Hayward has an easement for drainage purposes duly recorded in the Office of the County Recorder of the County of Alameda.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.14 - RESPONSIBILITY FOR ADMINISTRATION.

This article shall be administered by the Director of Public Works, or his or her designee ~~of Utilities and Environmental Services~~. Where storm drain facilities or watercourses have been accepted for maintenance by the Alameda County Flood Control and Water Conservation District or other public agency legally responsible for certain watercourses, then the responsibility for enforcing the provisions of this article may be assigned by contract executed by the City and such agency to those public agencies over those watercourses for which they have accepted maintenance.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.15 - CONSTRUCTION AND APPLICATION.

This article shall be construed to assure consistency with the requirements of the federal Clean Water Act and acts amendatory thereof or supplementary thereto, applicable implementing regulations, and NPDES Permit No. CAS612008 and any amendment or revision thereto, or reissuance thereof.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.17 - INVERSE CONDEMNATION.

The provisions of this article shall not operate to deprive any landowner of substantially all of the value of his or her property or otherwise constitute an unconstitutional taking of property without compensation. If application of this article to a specific project would create a taking of property then, pursuant to this section the City Council may allow additional land uses, but only to the extent necessary to avoid a taking. Such uses shall be consistent with and carry out the purposes of this article as stated in section 11-5.12 above.

#### DISCHARGE REGULATIONS AND REQUIREMENTS

#### SEC. 11-5.19 - DISCHARGE OF POLLUTANTS.

The discharge of non-stormwater discharges to the City storm sewer system is prohibited. Prohibited discharges include, but are not limited to polluted cooling water, chlorinated or chloraminated swimming pool water, hazardous or toxic chemicals, grease, animal wastes, detergents, solvents, pesticides,

herbicides, fertilizers, and dirt. All discharges of material other than stormwater must be in compliance with a NPDES Permit issued for the discharge other than NPDES Permit No. CAS612008. Exceptions to this prohibition are set forth in subsections (a) and (b) below.

- (a) NPDES permitted non-stormwater discharges and discharges which are not sources of pollutants to waters of the state (as described in 40 C.F.R. 122.26(d)(2)(iv)(B)(1)) provided that the discharger is in full compliance with all requirements of the permit and other applicable laws or regulations.

Discharges from the following activities will not be considered a source of pollutants to waters of the United States when properly managed in a manner satisfactory to the Director of [Utilities and Environmental Services](#) **Public Works**: water line flushing or other discharges from potable water sources, landscape irrigation, lawn watering, irrigation water, diverted stream flows, rising ground waters, infiltration to separate storm drains, uncontaminated pumped ground water, foundation and footing drains, water from crawl space pumps, air conditioning condensation, springs, individual residential car washings, flows from riparian habitats and wetlands, dechlorinated swimming pool discharges, or flows from firefighting.

Allowable discharges shall not cause any impairment in the beneficial uses or quality of water of the state as defined in the California Water Code or any special requirements of the Regional Water Quality Control Board, San Francisco Bay Region, or injure or interfere with the operation of any watercourses within the State.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.20 - DISCHARGE IN VIOLATION OF PERMIT.

Any discharge that would result in or contribute to a violation of NPDES Permit No. CAS612008, attached to this article as Attachment A, and any amendment or revision thereto, or reissuance thereof, either separately considered or when combined with other discharges, is prohibited. The person causing or responsible for the discharge shall be liable for the discharge, and shall defend, indemnify, and hold the City harmless in any administrative or judicial enforcement action relating to such discharge.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.21 - ILLICIT DISCHARGE AND ILLICIT CONNECTIONS.

The establishment, use, maintenance, or continuation of an illicit drainage connection to the City storm sewer system, and the commencement or continuation of any illicit discharges to the City storm sewer system is prohibited. This prohibition is expressly retroactive and applies to connections made in the past, regardless of whether made under a permit or other authorization or whether permissible under the law or practices applicable or in effect at the time of the connection.

#### SEC. 11-5.22 - REDUCTION OF POLLUTANTS IN STORMWATER.

Any person engaged in activities which will or may result in pollutants entering the City storm sewer system shall undertake all practicable measures to reduce such pollutants. Examples of activities that might result in pollutants entering the City storm sewer system include littering and ownership or use of facilities which may be a source of pollutants such as but not limited to parking lots, gasoline stations, industrial facilities, commercial facilities, and stores fronting City streets. The following are minimal requirements applicable to such persons:

- (a) *Littering Prohibited.* No person shall throw, deposit, leave, maintain, keep, or permit to be thrown, deposited, placed, left, or maintained, any 'refuse,' 'rubbish,' 'garbage,' or other discarded or abandoned objects, articles, and accumulations, in or upon any street, alley, sidewalk, storm drain, inlet, catch basin, conduit, or other drainage structures, business place, or upon any public

or private lot of land in the City, so that the same might be or become a pollutant. Nor shall any person throw or deposit litter in any fountain, pond, lake, stream, or any other body of water in a park or elsewhere within the City. The occupant or tenant, or in the absence of occupant or tenant, the owner, lessee, or proprietor, of any real property in the City of Hayward that abuts a paved sidewalk shall maintain said sidewalk free of dirt or litter to the maximum extent practicable. Sweepings from said sidewalk shall not be swept or otherwise made or allowed to go into the gutter or roadway, but shall be disposed of in receptacles maintained on said real property as required for the disposal of garbage.

- (b) *Standard of Maintenance for ~~Parking Lots and Similar Structures~~Premises.* Persons owning, operating or maintaining ~~owning or operating~~ Premises a parking lot, a gasoline station, or a similar structure or uses shall clean the property as frequently and thoroughly as practicable in a manner that does not result in discharge of pollutants to the City storm sewer system.

Persons owning, operating or maintaining a such Premises shall install and maintain a Full Trash Capture System within four months of written notification by the Authorized Enforcement Official to prevent the discharge of trash or other pollutants into the City's Municipal Storm Sewer System from private parking lots, streets, roads, and drainage facilities. At a minimum, the Full Trash Capture System must be installed before the onsite drainage enters the City's public stormwater system (i.e. trash capture must take place no farther downstream than the last private stormwater drainage structure on the site). The Director or the Authorized Enforcement Official may require Persons owning, operating or maintaining such Premises to enter into an operation and maintenance agreement, in a form approved by the City and which has been recorded with the property, to ensure the operation and maintenance of the Full Trash Capture System. Failure or refusal to timely comply with these requirements is prohibited and shall constitute a violation of the Chapter.

Upon transferring ownership of the property, any property owner required by this article to install and maintain a Full Trash Capture System shall notify the City in writing of the transfer of ownership and provide the new owners with a current copy of this Chapter and inform the new owners in writing of their obligation to properly operate and maintain the Full Trash Capture System.

It shall be unlawful to alter, modify, change, or remove any Full Trash Capture System without first obtaining from the Authorized Enforcement Official written certification that the requirements of this article have been satisfied.

- (c) *Outdoor Storage of Materials.*

- (1) *Proper Outdoor Storage of Materials Required.* All applicable materials stored outdoors at a commercial or industrial establishment shall be managed in a manner that minimizes the discharge of pollutants to stormwater. Establishments covered by the General Industrial NPDES Permit promulgated by the California Regional Water Quality Control Board, San Francisco Bay Region for stormwater discharges associated with industrial activities, excluding construction activities, shall address this requirement in applicable provisions of their Stormwater Pollution Prevention Plans (SWPPPs).
- (2) *Protection Against Accidental Discharge.* Each property owner, its administrators, lessees/tenants, or successors, or any other persons in possession or control of the property who store applicable materials outdoors at a commercial or industrial establishment shall provide protection against the accidental discharge of prohibited materials to the City's storm sewer system or watercourse. Such protection may include, but is not limited to, secondary containment systems or any equivalent protective measures. Any secondary containment system that includes the permanent modification of a building or site, or the addition of a building or structure, shall be submitted to the City's Planning Division and Building Division for approval in accordance with applicable codes. All facilities necessary to prevent the

accidental discharge of prohibited materials to the City's storm sewer system or watercourse shall be provided and maintained at the property owner's or operator's expense.

- (3) *Report of Accidental Discharge to the Storm Drain.* The property owner, its administrators, successors, or any other persons shall notify the City of any accidental discharge to the City's storm sewer system or watercourse as described in Section 11-5.26 of this Code.
- (4) *Posted Notice.* A notice advising employees of the requirements of Section 11-5.26 and the telephone number to call in case of such an accidental discharge shall be permanently posted in a conspicuous place on the premises of each commercial or industrial establishment.

#### SEC. 11-5.23 - WATERCOURSE PROTECTION.

Every person owning property through which a watercourse passes, or such person's lessee or tenant, shall keep and maintain that part of the watercourse within the property reasonably free of trash, debris, excessive vegetation, and other obstacles which would pollute, contaminate, or significantly retard the flow of water through the watercourse; shall maintain existing privately owned structures within or adjacent to a watercourse so that such structures will not become a hazard to the use, function, or physical integrity of the watercourse; and shall not remove healthy bank vegetation beyond that actually necessary for its maintenance nor remove healthy bank vegetation in a manner so as to increase the vulnerability of the watercourse to erosion.

No person shall commit or cause to be committed any of the following acts, unless a written permit has first been obtained from the Director of Public Works:

- (a) Discharge into or connect any pipe or channel to a watercourse;
- (b) Modify the natural flow of water in a watercourse;
- (c) Carry out development within a watercourse setback;
- (d) Deposit in, plant in, or remove any material from a watercourse including its banks, except as required for necessary maintenance;
- (e) Construct, alter, enlarge, connect to, change, or remove any structure in a watercourse; or
- (f) Place any loose or unconsolidated material along the side of or within a watercourse or so close to the side as to cause a diversion of the flow, or to cause a probability of such material being carried away by stormwaters passing through such watercourse.

#### INSPECTION AND ENFORCEMENT

#### SEC. 11-5.24 - AUTHORITY TO INSPECT.

Whenever necessary to make an inspection to enforce any of the provisions of this article, or whenever an Authorized Enforcement Official has reasonable cause to believe that there exists in any building or upon any premises any condition which constitutes a violation of the provisions of this article, the official may enter such building or premises at all reasonable times to inspect the same or perform any duty imposed upon the official by this article; provided that (1) if such building or premises be occupied, he or she shall first present proper credentials and request entry; and (2) if such building or premises be unoccupied, he or she shall first make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and request entry.

Any such request for entry shall state that the property owner or occupant has the right to refuse entry and that in the event such entry is refused inspection may be made only upon issuance of a search warrant by a duly authorized magistrate. In the event the owner or occupant refuses entry after such request has been made, the official is hereby empowered to seek assistance from any court of competent jurisdiction in obtaining such entry.

Routine or area inspections shall be based upon such reasonable selection processes as may be deemed necessary by the Authorized Enforcement Official to carry out the objectives of this article, including but not limited to random sampling and/or sampling in areas with evidence of stormwater contamination, illicit discharges, discharge of non-stormwater to the stormwater system, or similar factors.

SEC. 11-5.25 - AUTHORITY TO SAMPLE AND ESTABLISH SAMPLING DEVICES.

An Authorized Enforcement Official shall have the right to establish on any property such devices as are necessary to conduct sampling or metering operations. During all inspections as provided in this article, the official may take any samples deemed necessary to aid in the pursuit of the inquiry or in the recordation of the activities on site.

SEC. 11-5.26 - NOTIFICATION OF SPILLS.

As soon as any person in charge of a facility, or responsible for emergency response for a facility, has knowledge of any confirmed or unconfirmed release of materials, pollutants, or waste which may result in pollutants or non-stormwater discharges entering the City storm sewer system or watercourse, such person shall take all necessary steps to ensure the discovery and containment and ~~clean up~~ cleanup of such release and shall notify the City of the occurrence by telephoning an Authorized Enforcement Official.

SEC. 11-5.31 - CONCEALMENT.

Causing, permitting, aiding, abetting, or concealing a violation of any provision of this article shall constitute a violation of such provision.

SEC. 11-5.32 - ACTS POTENTIALLY RESULTING IN VIOLATION OF FEDERAL CLEAN WATER ACT OR STATE LAW.

Any person who violates any provision of this article, or any provision of any permit issued pursuant to this article, or who discharges waste or wastewater which causes pollution, or who violates any cease and desist order, prohibition, or effluent limitation, may also be in violation of the federal Clean Water Act and state law, including the Porter-Cologne Act, and may be subject to the sanctions of those laws including civil and criminal penalty. Any enforcement action authorized under this article shall also include notice to the violator of such potential liability.

SEC. 11-5.33 - VIOLATIONS DEEMED A PUBLIC NUISANCE.

In addition to the penalties provided herein, any condition caused or permitted to exist in violation of any of the provisions of this article is a threat to the public health, safety, and welfare and is declared and deemed a public ~~nuisance, and~~ nuisance and may be summarily abated or restored by any Authorized Enforcement Official and civil action to abate, enjoin, or otherwise compel the cessation of such nuisance may be taken by the City Attorney.

The cost of such abatement and restriction shall be borne by the owner of the property and the cost thereof shall be a lien upon and against the property and such lien shall continue in existence until the same shall be paid. If the lien is not satisfied by the owner of the property within three (3) months after the completion by the Authorized Enforcement Official of the removal of the nuisance and the restoration of the property to its original condition, the property may be sold in satisfaction thereof in a like manner as other real property is sold under execution.

If any violation of this article constitutes a seasonal and recurrent nuisance, the City Council shall so declare. Thereafter such seasonal and recurrent nuisance shall be abated every year without the necessity of any further hearing.

SEC. 11-5.34 - CIVIL ACTIONS.

In addition to any other remedies provided in this article, any violation of this article may be enforced by civil action brought by the City. In any such action, the City may seek, and the Court shall grant, as appropriate, the following remedies:

- (a) A temporary or permanent injunction;
- (b) Assessment of the violator for the costs of any investigation, inspection, or monitoring survey which led to the establishment of the violation and for the reasonable costs of preparing and bringing legal action under this article;
- (c) Costs incurred in removing, correcting, or terminating the adverse effects resulting from the violation; and
- (d) Compensatory damages for loss or destruction to water quality, wild-life, fish, and aquatic life.

Any assessments ordered under subsection (d) shall be paid to the City to be used exclusively for costs associated with monitoring and establishing stormwater discharge pollution control systems and implementing or enforcing the provisions of this article

#### SEC. 11-5.35 - ADMINISTRATIVE ENFORCEMENT POWERS.

In addition to the other enforcement powers and remedies established by this article, any Authorized Enforcement Official has the authority to utilize the administrative remedies set forth below.

- (a) *Cease and Desist Orders.* When an Authorized Enforcement Official finds that a discharge has taken place or is likely to take place in violation of this article, the official may issue an order to cease and desist such discharge, or practice, or operation likely to cause such discharge and direct that those persons not complying shall: (1) comply with the requirement; (2) comply with a time schedule for compliance; and (3) take appropriate remedial or preventive action to prevent the violation from recurring.
- (b) *Notice to Clean.* Whenever an Authorized Enforcement Official finds any oil, earth, dirt, grass, weeds, dead trees, tin cans, rubbish, refuse, waste, or any other material of any kind, in or upon the sidewalk abutting or adjoining any parcel of land or upon any parcel of land or grounds which may result in an increase in pollutants entering the City storm sewer system or a non-stormwater discharge to the City storm sewer system, he or she shall give notice to remove such oil, earth, dirt, grass, weeds, dead trees, tin cans, rubbish, refuse, waste, or other material, in any manner that he or she may reasonably provide.

#### SEC. 11-5.36 - REMEDIES NOT EXCLUSIVE.

Remedies under this article are in addition to and do not supersede or limit any and all other remedies, civil or criminal. The remedies provided for herein shall be cumulative and not exclusive.

#### COORDINATION WITH OTHER PROGRAMS

#### SEC. 11-5.37 - COORDINATION WITH HAZARDOUS MATERIALS INVENTORY AND RESPONSE PROGRAM.

The first revisions of the business plan for any facility subject to the City's hazardous materials inventory and response program shall include a program for compliance with this article, including the prohibitions on non-stormwater discharges and illicit discharges, and the requirements to reduce stormwater pollutants to the maximum extent practicable.

#### SEC. 11-5.38 - STORMWATER TREATMENT MEASURES REQUIRED.

- (a) All Regulated Projects shall include Stormwater Treatment Measures to reduce water quality impacts of urban runoff from the entire project site for the life of the project. Such measures shall be in accordance with the guidelines contained in the City of Hayward's Site Design Standards and Guidance, including but not limited to flow duration and volume control requirements. All Regulated Projects shall also abide by the rules set forth in the NPDES municipal stormwater discharge permit



issue to the City by the California Regional Water Quality Control Board, San Francisco Bay Region. Furthermore, all other development projects deemed appropriate by the City, are required to apply the City of Hayward's Source Control Measures List to each respective project.

- (b) All Significant Redevelopment Projects shall include Stormwater Treatment Measures to reduce water quality impacts of urban runoff for the life of the project.
  - (1) Significant Redevelopment Projects that result in an increase of, or replacement of, more than fifty percent (50%) of the impervious surface of a previously existing development shall include Stormwater Treatment Measures sufficient to reduce water quality impacts of urban runoff from the entire site for the life of the project.
  - (2) Significant Redevelopment Projects that result in an increase of, or replacement of, fifty percent (50%) or less of the impervious surface of a previously existing development shall include Stormwater Treatment Measures sufficient to reduce water quality impacts of urban runoff from the increased or replaced portion of the site for the life of the project.
- (c) Stormwater Treatment Measures must be incorporated into all applicable plan documents. All plan documents and construction activities are subject to inspection and approval by the City.
- (d) No final building or occupancy permit shall be issued without the written certification of the Director of ~~Utilities and Environmental Services~~ [Public Works](#) or his or her designee that the requirements of this article have been satisfied. Such certification shall be in the form prescribed by the City and shall not be issued without payment of all applicable fees, if any, which may be imposed for administration of this article.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.39 - INSPECTION AND MAINTENANCE OF STORMWATER TREATMENT MEASURES.

- (a) The property owner, its administrators, successors, or any other persons in possession or control of the property, including any homeowners association, shall take all necessary actions to ensure that Stormwater Treatment Measures or other required measures are properly maintained so that they continue to operate as originally designed and approved, for the life of the development. The Director of ~~Utilities and Environmental Services~~ [Public Works](#) may require verification of proper maintenance be submitted to the City. Any property owner required by this article to construct, install, operate or maintain Stormwater Treatment Measures or other measures shall record a document evidencing the permanent maintenance requirement and binding all successors in interest to the maintenance obligation.
- (b) Upon transferring ownership of the property, any property owner required by this article to construct, install, operate, or maintain Stormwater Treatment Measures or other measures shall notify the City in writing of the transfer of ownership and provide the new owners with a current copy of this Chapter, and inform the new owners in writing of their obligation to properly operate and maintain the Stormwater Treatment Measures.
- (c) It shall be unlawful to alter, modify, change, or remove any Stormwater Treatment Measures or other measures without first obtaining from the Director of Utilities and Environmental Services or his or her designee written certification that the requirements of this article have been satisfied.

(Amended by [Ordinance 17-09](#), adopted June 20, 2017)

#### SEC. 11-5.40 - BEST MANAGEMENT PRACTICES DURING CONSTRUCTION.

Any construction contractor performing work in the City shall adhere to the City of Hayward's Site Design Standards and Guidance as it relates to construction Best Management Practices (BMPs).

#### SEC. 11-5.41 - COMPLIANCE WITH BEST MANAGEMENT PRACTICES.

Where best management practices guidelines or requirements have been adopted by any federal, State of California, regional, and/or City agency, for any activity, operation, or facility which may cause or contribute to stormwater pollution or contamination, illicit discharges, and/or discharge of non-stormwater to the stormwater system, every person undertaking such activity or operation, or owning or operating such facility, shall comply with such guidelines or requirements.

SEC. 11-5.42 - AUTHORITY TO ENFORCE INDUSTRIAL STORMWATER PERMITS.

The City of Hayward shall have the authority to enforce the permit requirements of any individual, group, or general stormwater discharge permit issued to any industrial facility by the United States Environmental Protection Agency, State of California Water Resources Control Board, or the San Francisco Bay Regional Water Quality Control Board to the extent that such authority is delegated to the City by the issuing agency of government.

SEC. 11-5.43 - AUTHORITY TO ENFORCE CONSTRUCTION STORMWATER PERMITS.

The City of Hayward shall have the authority to enforce the permit requirements of any individual, group, or general stormwater discharge permit issued to any construction activity by the Environmental Protection Agency, the State of California Water Resources Control Board, or the San Francisco Bay Regional Water Quality Control Board to the extent that such authority is delegated to the City by the issuing agency of government.

**FUNDING PROVISIONS**

SEC. 11-5.50 - CITY OF HAYWARD STORMWATER SYSTEM UTILITY FUND.

The City of Hayward Stormwater System Utility Fund (hereinafter "Fund") is hereby established to provide funding for the Stormwater Management and Urban Runoff Control Program. The Fund may be expended for the following:

- (a) All activities and resultant expenses required under the Alameda Countywide Clean Water Program;
- (b) All activities and resultant expenses required by the NPDES permit which authorizes and regulates discharge from the City of Hayward stormwater collection and conveyance system;
- (c) All activities and resultant expenses associated with the maintenance and operation of the stormwater collection and conveyance system;
- (d) Capital expenses associated with the repair, replacement, and capital improvement of the stormwater collection and conveyance system;
- (e) All expenses associated with the maintenance, operation, and capital requirements of any stormwater treatment system which may be prospectively required by state or federal law;
- (f) All expenses for any activities directly related to any of the foregoing.

SEC. 11-5.51 - FUNDING PROVISION—DEFINITIONS.

- (a) *Land use category*: That category of land use assigned to a parcel of real property as shown on the most current official assessment roll of the Alameda County Assessor.
- (b) *Parcel*: A unit of real property in one ownership as shown on the most current official assessment roll of the Alameda County Assessor; parcel size means the area of such a unit, measure in acres, as determined from records maintained by Alameda County or the City of Hayward.
- (c) *Runoff factor*: The indicator of stormwater generation of a parcel and is based on the average ratio of impervious area to total parcel area for a category of land use.

SEC. 11-5.52 - REVENUE SOURCE.

The City of Hayward Stormwater System Utility Fund shall derive revenue from the following sources:

- (a) Reimbursements and subventions made available through the Alameda Countywide Clean Water Program;
- (b) Reimbursements and subventions made available by any other governmental entity for the purpose of supporting any of the activities of the City of Hayward Stormwater Management and Urban Runoff Control Program;
- (c) Any other funds the City Council directs be allocated to the Stormwater System Utility Fund from money available to it, including but not limited to, money in its General Fund; and
- (d) Service charges assessed by the City of Hayward in accordance with the provisions of this article.

**SEC. 11-5.53 - ESTABLISHMENT OF SERVICE CHARGE.**

Every person or entity owning real property within the City of Hayward, or owning property not within the incorporated City limits but discharging stormwater to a collection and conveyance system owned and operated by the City of Hayward, shall pay a service charge calculated in accordance with the provisions of this article as set forth from time to time by resolution of the City Council.

**SEC. 11-5.54 - CALCULATION OF SERVICE CHARGES.**

Service charges shall be calculated in a manner which distributes, as equitably as possible, stormwater system costs to users of the system proportionate to the benefit received. In consideration of the fact that stormwater runoff and consequent stormwater system loading is directly related to the physical size and impervious surface area of any parcel of land, those factors shall be utilized in the calculation of service charges. For the purpose of this section, impervious surface area shall be represented by the runoff factor established for parcels on the basis of use and as otherwise determined by the Alameda County Flood Control and Water Conservation District. In addition, other factors which disproportionately affect stormwater system costs and which are attributable to any user or class of users may be utilized in the setting of rates for that user or class of users.

**SEC. 11-5.55 - COLLECTION; INTEREST AND PENALTIES.**

The City Manager is authorized to have the charges imposed by this article collected by the County of Alameda in conjunction with the County's collection of property tax revenues for the City of Hayward. In the event that the County of Alameda collects the charges imposed by this article, the imposition of penalties, additional fees, and interest upon owners who fail to remit any charge imposed by this article or who fail to remit any delinquent remittance under this ordinance shall be subject to and governed by the rules, regulations, and procedures utilized by the County of Alameda in its collection of property taxes and charges for the City of Hayward, and in its collection of this additional charge for the City of Hayward.

Every penalty imposed and such interest as accrues under the provisions of this article shall become a part of the charges herein required to be paid.

**SEC. 11-5.56 - DELINQUENT CHARGES REMEDIES.**

- (a) Delinquent charges are hereby made a lien upon the real property served by the stormwater system;
- (b) The amount of any charge, penalty, and interest imposed under the provisions of this article shall be deemed a debt to the City.

**ATTACHMENT "A" TO ORDINANCE 05-09**

**[The Alameda Countywide NPDES Municipal Stormwater Permit adopted by the California Regional Water Quality Control Board San Francisco Bay Region is available at the following website:](#)**

[https://www.waterboards.ca.gov/sanfranciscobay/water\\_issues/programs/stormwater/](https://www.waterboards.ca.gov/sanfranciscobay/water_issues/programs/stormwater/)

**California Regional Water Quality Control Board  
San Francisco Bay Region  
Alameda Countywide NPDES Municipal Stormwater Permit**

Order R2-2003-0021\NPDES Permit No. CAS0029831

~~For The Cities Of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, Union City, Alameda County (Unincorporated area), the Alameda County Flood Control and Water Conservation District, and Zone 7 of the Alameda County Flood Control and Water Conservation District, which have joined together to form the Alameda Countywide Clean Water Program.~~

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**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
SAN FRANCISCO BAY REGION**

**ORDER R2-2003-0021  
NPDES PERMIT NO. CAS0029831**

**REISSUING WASTE DISCHARGE REQUIREMENTS FOR:**

~~THE CITIES OF ALAMEDA, ALBANY, BERKELEY, DUBLIN, EMERYVILLE, FREMONT, HAYWARD, LIVERMORE, NEWARK, OAKLAND, PIEDMONT, PLEASANTON, SAN LEANDRO, UNION CITY, ALAMEDA COUNTY (UNINCORPORATED AREA), THE ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, AND ZONE 7 OF THE ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, WHICH HAVE JOINED TOGETHER TO FORM THE ALAMEDA COUNTYWIDE CLEAN WATER PROGRAM~~

The California Regional Water Quality Control Board, San Francisco Bay Region, (hereinafter referred to as the Regional Board) finds that:

**Findings**

**Finding 1: Incorporation of Fact Sheet**

- ~~1. The Fact Sheet for the Alameda Countywide Clean Water Program NPDES Permit Reissuance includes cited references and additional explanatory information in support of the requirements of this Permit. This information, including any supplements thereto, and any future response to comments on the Revised Tentative Order, is hereby incorporated by reference.~~

**Findings 2-3: Existing Permit**

- ~~2. The Cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, Union City, Alameda County (Unincorporated area), the Alameda County Flood Control and Water Conservation District, and Zone 7 of the Alameda County Flood Control and Water Conservation District (hereinafter collectively referred to as the Permittees and individually as the Permittee) have joined together to form the Alameda Countywide Clean Water Program (hereinafter referred to as the Program).~~
- ~~3. The Permittees are currently subject to National Pollutant Discharge Elimination System (NPDES) Permit No. CAS0029831 issued by Order No. 97-030 on February 19, 1997, and modified by Order No. 99-049 on July 21, 1999.~~

**Findings 4-5: Permit Coverage**

4. ~~The Permittees each have jurisdiction over and/or maintenance responsibility for their respective municipal separate storm drain systems and/or watercourses in Alameda County. (See Attachment C: Municipalities and Major Open Creeks and Waterbodies in Alameda County)~~
5. ~~Federal, state or regional entities within the Permittees' boundaries, not currently named in this Order, operate storm drain facilities and/or discharge stormwater to the storm drains and watercourses covered by this Order. The Permittees may lack jurisdiction over these entities. Consequently, the Regional Board recognizes that the Permittees should not be held responsible for such facilities and/or discharges. The Regional Board will consider such facilities for coverage in 2003 under its NPDES permitting scheme pursuant to United States Environmental Protection Agency (US EPA) Phase II stormwater regulations. Under Phase II, the Regional Board intends to permit these federal, state, and regional entities either directly, or potentially through use of a Statewide Phase II NPDES General Permit.~~

#### **Findings 6-8: Permit Background**

6. ~~On August 6, 2001, the Permittees and the Program submitted a permit re-application package that included a completed Application/Report of Waste Discharge for reissuance of waste discharge requirements under the NPDES permit referenced in Finding 3 (hereinafter referred to as the Permit) to discharge stormwater runoff from storm drains and watercourses under the Permittees' jurisdictions.~~
7. ~~The application requirements that the Regional Board has determined to be applicable to the Permittees include submittal of a proposed Stormwater Quality Management Plan to reduce the discharge of pollutants in stormwater to the maximum extent practicable (MEP) and to effectively prohibit non-stormwater discharges into municipal storm drain systems and watercourses within the Permittees' jurisdictions.~~
8. ~~The application incorporated by reference the Program's 2001-2008 Stormwater Quality Management Plan. The intent of the Stormwater Quality Management Plan is to reduce the discharge of pollutants in stormwater to the maximum extent practicable, and in a manner designed to achieve compliance with water quality standards and objectives, and effectively prohibit non-stormwater discharges into municipal storm drain systems and watercourses within the Permittees' jurisdictions. The Stormwater Quality Management Plan fulfills the Regional Board's permit application requirements, and it will be improved and revised in accordance with the provisions of this Order.~~

#### **Findings 9-15: Stormwater Quality Management Plan**

9. ~~The Stormwater Quality Management Plan describes a framework for management of stormwater discharges during the term of the Permit. The title page and table of contents of the Program's 2001-2008 Stormwater Quality Management Plan (Management Plan) are appended to this Order as Attachment A. The Management Plan describes the Program's goals and objectives and the annual reporting and program evaluation process. Performance Standards, which represent the baseline level of effort required of each of the Permittees, are contained in Section 5 of the Management Plan. The Performance Standards serve as a reference point upon which to base effectiveness evaluations and consideration of opportunities for improving them.~~
10. ~~The Management Plan, including the Performance Standards, is incorporated in the Permit by reference and enforceable as such, and is considered an enforceable component of this Order.~~
11. ~~Program activities are focused on the following components:~~
  - ~~Regulatory Compliance, Planning, Program Management~~
  - ~~Annual Reporting and Evaluation~~
  - ~~Watershed Assessment~~
  - ~~Monitoring and Special Studies~~
  - ~~Pollutants of Concern~~

- ~~Public Information and Participation~~
- ~~Municipal Maintenance Activities~~
- ~~Illicit Discharge Controls~~
- ~~Industrial and Commercial Discharge Controls~~
- ~~New Development, Significant Redevelopment, and Construction Controls~~

12. ~~Through the Public Information and Participation (PIP) component, the Program provides information to residents in order to educate them about stormwater pollution and change behaviors that adversely affect water quality. PIP activities are conducted locally, countywide and in collaboration with other regional agencies. The Management Plan states that, at a minimum, annual PIP efforts must include general outreach, targeted outreach (including outreach to municipal staff within each Permittees' jurisdictions), educational programs, and citizen participation activities. The Management Plan also states that one of the PIP component objectives is to evaluate component effectiveness of the PIP activities and make improvements so as to increase effectiveness.~~
13. ~~The Management Plan contains Performance Standards and supporting documents to address the post-construction and construction phase impacts of new development and significant redevelopment projects on stormwater quality.~~
14. ~~The goal of the Industrial and Commercial Discharge Controls component is to reduce or eliminate adverse water quality impacts from activities conducted at any industrial and commercial site within the Permittees' jurisdictions that have a potential for significant urban runoff pollution. The Management Plan requires each Permittee to develop a five-year Illicit Discharge Control Action Plan (Action Plan) to reduce, control and/or otherwise address sources of discharges. The Action Plan will ensure that each Permittee identifies high-priority areas for inspection and investigation, regularly surveys those areas at a specified frequency, identifies which staff within each Permittee will be responsible for completing field surveys, identifies how illicit discharge control activities are documented, and ensures that appropriate enforcement is taken for problem discharges. In short, it will serve as the framework document for each Permittee to appropriately control illicit discharges.~~
15. ~~The Program and the Permittees are committed to a process of evaluating the effectiveness and improving the Performance Standards and plans contained in the Management Plan, which includes seeking new opportunities to control stormwater pollution and to protect beneficial uses. Changes and updates to control measures, Best Management Practices, and Performance Standards will be documented in the Annual Report and, following Regional Board approval, will be considered part of the Management Plan and an enforceable component of this Order.~~

#### **Finding 16: Cooperative Effort Among Entities**

16. ~~The Program participates in, and contributes to, joint efforts with other entities, including regulatory agencies, public benefit corporations, universities, and citizens' groups. These entities may take a lead role in addressing particular sources because they are regional, statewide or national in scope, because they have different skills or expertise, or because they have appropriate regulatory authority.~~

#### **Finding 17: Annual Reviews**

17. ~~The Regional Board staff will perform, in coordination with the Permittees and interested persons, an annual performance review and evaluation of the Program, the Permittees and their compliance activities. The reviews are a useful means of evaluating overall Program effectiveness, implementation of Performance Standards, and improvement opportunities. The following areas will be evaluated:~~
- a. ~~Overall Program and Permittee effectiveness and compliance;~~
  - b. ~~Performance Standard improvements;~~

- c. ~~Permittees' coordination and implementation of watershed-based management actions (e.g., flood management, new development and construction, industrial source controls, public information/participation, monitoring);~~
- d. ~~Partnership opportunities with other Bay Area stormwater programs; and~~
- e. ~~Consistency in meeting maximum extent practicable measures within the Program and with other regional, statewide, and national municipal stormwater management programs.~~

#### **Findings 18-25: Applicable Federal, State and Regional Regulations**

18. ~~Section 402(p) of the federal Clean Water Act (CWA), as amended by the Water Quality Act of 1987, requires NPDES permits for stormwater discharges from separate municipal storm drain systems, stormwater discharges associated with industrial activity (including construction activities), and designated stormwater discharges which are considered significant contributors of pollutants to waters of the United States. On November 16, 1990, US EPA published regulations (40 CFR Part 122) which prescribe permit application requirements for municipal separate storm drain systems pursuant to Section 402(p) of the CWA. On May 17, 1996, US EPA published an Interpretive Policy Memorandum on Reapplication Requirements for Municipal Separate Storm Sewer Systems (MS4s), which provided guidance on permit application requirements for regulated MS4s.~~
19. ~~The Regional Board adopted a revised Water Quality Control Plan for the San Francisco Bay Basin (Basin Plan) on June 21, 1995, which was approved by the State Water Resources Control Board and the Office of Administrative Law on July 21 and November 13 of 1995, respectively. This updated and consolidated plan represents the Regional Board's master water quality control planning document. The Urban Runoff Management, Comprehensive Control Program section of the Basin Plan requires the Permittees to address existing water quality problems and prevent new problems associated with urban runoff through the development and implementation of a comprehensive control program focused on reducing current levels of pollutant loading to storm drains to the maximum extent practicable. The Basin Plan comprehensive program requirements are designed to be consistent with federal regulations (40 CFR Parts 122-124) and are implemented through issuance of NPDES permits to owners and operators of storm drain systems. A summary of the regulatory provisions is contained in Title 23 of the California Code of Regulations at Section 3912. The Basin Plan identifies beneficial uses and establishes water quality objectives for surface waters in the Region, as well as effluent limitations and discharge prohibitions intended to protect those uses. This Order implements the plans, policies, and provisions of the Regional Board's Basin Plan.~~
20. ~~The State Water Resources Control Board (State Board) has issued NPDES general permits for the regulation of stormwater discharges associated with industrial activities and construction activities. To effectively implement the New Development (and significant redevelopment) and Construction Controls, Illicit Discharge Controls, and Industrial and Commercial Discharge Controls components of the Management Plan, the Permittees will conduct investigations and local regulatory activities at industries and construction sites covered by these general permits. However, under the Clean Water Act, the Regional Board cannot delegate to the Permittees its own authority to enforce these general permits. Therefore, Regional Board staff intend to work cooperatively with the Permittees to ensure that industries and construction sites within the Permittees' jurisdictions are in compliance with applicable general permit requirements and are not subject to uncoordinated stormwater regulatory activities.~~
21. ~~The beneficial uses of Central, Lower and South San Francisco Bay, its tributary streams and contiguous water bodies, and other water bodies within the drainage basin are listed in the Basin Plan.~~
22. ~~The Regional Board considers stormwater discharges from urban and developing areas in the San Francisco Bay Region, such as Alameda County, to be significant sources of certain pollutants in waters of the Region that may be causing or threatening to cause or contribute to water quality impairment. Furthermore, as delineated on the CWA Section 303(d) list, the~~

~~Regional Board has found that there is a reasonable potential that municipal stormwater discharges may cause or contribute to an excursion above water quality standards for: mercury, PCBs, dioxins, furans, diazinon, dieldrin, chlordane, DDT, copper, and selenium in Central San Francisco Bay; diazinon in all urban creeks in Alameda County; and trash and low dissolved oxygen in Lake Merritt. In accordance with CWA Section 303(d), the Regional Board is required to establish Total Maximum Daily Loads (TMDLs) for these pollutants to these waters in order to gradually eliminate impairment and attain water quality standards. Therefore, certain early actions and/or further assessments by the Permittees are warranted and required pursuant to this Order.~~

- ~~23. The Regional Board considers the Management Plan an essential component of an urban watershed management plan for urbanized portions of Alameda County, and the portions of Alameda County that are currently being developed. The Management Plan is intended to provide a framework for protection and restoration of Alameda County watersheds and the Central, Lower and South San Francisco Bay in part through effective and efficient implementation of appropriate control measures for sources of pollutants within the watersheds.~~
- ~~24. The San Francisco Estuary Project, established pursuant to CWA Section 320, culminated in June 1993 with completion of its Comprehensive Conservation and Management Plan (CCMP) for the preservation, restoration, and enhancement of the San Francisco Bay-Delta Estuary. The CCMP includes recommended actions in the areas of aquatic resources, wildlife, wetlands, water use, pollution prevention and reduction, dredging and waterway modification, land use, public involvement and education, and research and monitoring. Recommended actions which may, in part, be addressed through implementation of the Permittees' Management Plan include, but are not limited to, the following:~~
- ~~a. Action PO-2.1: Pursue a mass emissions strategy to reduce pollutant discharges into the Estuary from point and nonpoint sources and to address the accumulation of pollutants in estuarine organisms and sediments.~~
  - ~~b. Action PO-2.4: Improve the management and control of urban runoff from public and private sources.~~
  - ~~c. Action PO-2.5: Develop control measures to reduce pollutant loadings from energy and transportation systems.~~
  - ~~d. Action LU-1.1: Local General Plans should incorporate watershed protection plans to protect wetlands and stream environments and reduce pollutants in runoff.~~
  - ~~e. Action LU-3.1: Prepare and implement Watershed Management Plans that include the following complementary elements: 1) wetlands protection, 2) stream environment protection, and, 3) reduction of pollutants in runoff.~~
  - ~~f. Action LU-3.2: Develop and implement guidelines for site planning and Best Management Practices.~~
  - ~~g. Action PI-2.3: Work with educational groups, interpretive centers, decision makers, and the general public to build awareness, appreciation, knowledge, and understanding of the Estuary's natural resources and the need to protect them. This would include how these natural resources contribute to and interact with social and economic values.~~
- ~~25. This action to adopt an NPDES permit is exempt from the provisions of the California Environmental Quality Act (Division 13 of the Public Resources Code, Chapter 3, Section 21100, et. seq.) in accordance with Section 13389 of the California Water Code.~~

#### **Findings 26-30: Nature of Discharges and Sources of Pollutants**

- ~~26. The discharge consists of the surface runoff generated from various land uses in all the hydrologic sub basins in the basin which discharge into watercourses, which in turn flow into Central, Lower and South San Francisco Bay.~~
- ~~27. The quality and quantity of runoff discharges varies considerably and is affected by hydrology, geology, land use, season, and sequence and duration of hydrologic event. Pollutants of concern~~



~~in these discharges are certain heavy metals, excessive sediment production from erosion due to anthropogenic activities, petroleum hydrocarbons from sources such as used motor oil, microbial pathogens of domestic sewage origin from illicit discharges, certain pesticides associated with the risk of acute aquatic toxicity, excessive nutrient loads which may cause or contribute to the depletion of dissolved oxygen and/or toxic concentrations and dissolved ammonia, trash which impairs beneficial uses including but not limited to support for aquatic life, and other pollutants which may cause aquatic toxicity in the receiving waters.~~

- ~~28.— Certain pollutants present in stormwater and/or urban runoff may be derived from extraneous sources that the Permittees have limited or no direct jurisdiction over. Examples of such pollutants and their respective sources are polycyclic aromatic hydrocarbons (PAHs) which are products of internal combustion engine operation and other sources; heavy metals, such as copper from brake pad wear and zinc from tire wear; dioxins as products of combustion; mercury resulting from atmospheric deposition; and natural occurring minerals from local geology. All of these pollutants, and others, may be deposited on paved surfaces, rooftops, and other impervious surfaces as fine airborne particles, thus yielding stormwater runoff pollution that is unrelated to the particular activity associated with a given new or redevelopment project.~~
- ~~29.— It may be more efficient to manage airborne pollutants at their sources of release and/or through reformulating pollutant generating products rather than through treatment of stormwater. However, unless restricted by jurisdictional limitations, Permittees can implement structural treatment control measures, or require developers to implement structural treatment control measures to reduce entry of these pollutants into stormwater and their discharge to receiving waters.~~
- ~~30.— Retail gasoline outlets (RGOs), commonly referred to as "gas stations," are sources for pollutants of concern in stormwater and have been widely documented as such. The most common pollutants of concern in stormwater runoff from RGOs are heavy metals, petroleum hydrocarbons (such as Polycyclic Aromatic Hydrocarbons (PAHs)), and oil and grease.<sup>(8)</sup> RGOs fall within the new development and significant redevelopment projects subject to Provision C.3 of this Order, when they meet the impervious surface thresholds within that Provision. Pursuant to Provision C. 3., as with any other project meeting the thresholds of that Provision, RGOs are required to incorporate appropriate source controls and design measures, and to appropriately treat stormwater runoff prior to discharge to the storm drain or local water. As with any commercial and/or industrial activity within the Permittees' jurisdictions that has the potential to discharge pollutants in stormwater runoff, RGOs may also be subject to regulation under other sections of the Permit and Management Plan, including the Illicit Discharge Control and Industrial and Commercial Discharge Control sections.~~

### **Findings 31-41 in Support of Provision C.3: New Development and Redevelopment Performance Standards**

- ~~31.— Urban Development Increases Pollutant Load, Volume, and Velocity of Runoff: During urban development two (2) important changes occur. First, natural vegetated pervious ground cover is converted to impervious surfaces such as paved highways, streets, rooftops, and parking lots. Natural vegetated soil can both absorb rainwater and remove pollutants providing a very effective natural purification process. Because pavement and concrete can neither absorb water nor remove pollutants, the natural purification characteristics of the land are lost. Secondly, urban development creates new pollution sources as human population density increases and brings with it proportionately higher levels of car emissions, car maintenance wastes, municipal sewage, pesticides, household hazardous wastes, pet wastes, trash, etc., which can be washed into the municipal separate storm sewer system. As a result of these two (2) changes, the runoff leaving the developed urban area is significantly greater in volume, velocity and pollutant load than the pre-development runoff from the same area.~~
- ~~32.— The pollutants found in urban runoff can have damaging effects on both human health and aquatic ecosystems. In addition, the increased flows and volumes of stormwater discharged from new impervious surfaces resulting from new development and redevelopment can significantly~~

impact beneficial uses of aquatic ecosystems due to physical modifications of watercourses, such as bank erosion and widening of channels.

- 33.— ~~Water Quality Degradation Increases with Percent Imperviousness: The increased volume and velocity of runoff from developed urban areas can greatly accelerate the erosion of downstream natural channels. A number of studies have demonstrated a direct correlation between the degree of imperviousness of an area and the degradation of beneficial uses of downstream receiving waters. Significant declines in the biological integrity and physical habitat of streams and other receiving waters have been found to occur with as little as a 10% conversion from natural to impervious surfaces. Typical medium density single family home projects range between 25 to 60% impervious. Even at very low densities, such as 1-2 housing units per acre, standard subdivision designs can exceed the 10% imperviousness threshold that, as noted above, is theorized to be the threshold for degradation of streams and other waters with increasing imperviousness of their catchment. <sup>191</sup> Studies on the impacts of imperviousness on beneficial uses of waters include "Urbanization of aquatic systems: Degradation thresholds, stormwater detection, and the limits of mitigation," Derek B. Booth and C. Rhett Jackson, Journal of the American Water Resources Association 33(5), Oct. 1997, pp. 1077-1089; "Urbanization and Stream Quality Impairment," Richard D. Klein, Water Resources Bulletin 15(4), Aug. 1979, pp. 948-963; "Stream channel enlargement due to urbanization," Thomas R. Hammer, Water Resources Research 8(6), Dec. 1972, pp. 1530-1540; and, summaries of work on the impacts of imperviousness, including "The Importance of Imperviousness," in Watershed Protection Techniques 1(3), Fall 1994, pp. 100-111, and "Impervious surface coverage: The emergence of a key environmental indicator," Chester L. Arnold et al., Journal of the American Planning Association 62(2), Spring 1996, pp.243-259.~~
- 34.— ~~The Permittees have encouraged developers to minimize increases in impervious surfaces through a number of techniques such as those described in the Bay Area Stormwater Management Agencies Association's (BASMAA's) "Start at the Source Design Guidance Manual for Stormwater Quality Protection," 1999 edition (Start at the Source). One of the techniques recommended by Start at the Source is to use permeable pavements to infiltrate stormwater while still providing a stable load bearing surface. For purposes of this Order, the Program may submit guidelines for use of these techniques for minimizing increases in impervious surfaces described in Start at the Source, implementation of which techniques will provide that such areas will not count toward the creation or replacement of impervious surfaces, or may be modeled differently for the purposes of sizing post-construction stormwater treatment controls, for approval of the Regional Board's Executive Officer.~~
- 35.— ~~Because land use planning is where urban development begins, it is the phase in which the greatest and most cost-effective opportunities to protect water quality in new and redevelopment exist. When a Permittee incorporates policies and principles designed to safeguard water resources into its General Plan and development project approval processes, it has taken a far-reaching step towards the preservation of local water resources for future generations.~~
- 36.— ~~Provision C.3 is written with the assumption that the Permittees are responsible for considering potential stormwater impacts when making planning and land use decisions. The goal of these requirements is to address pollutant discharges and changes in runoff flows from new development and significant redevelopment projects, through implementation of post-construction and treatment measures, source control, and site design measures, to the maximum extent practicable. Neither Provision C.3 nor any of its requirements are intended to restrict or control local land use decision-making authority.~~
- 37.— ~~For the purposes of this Order, the term "Redevelopment" is defined as a project on a previously developed site that results in the addition or replacement of impervious surface, and the term "brownfield site" means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.~~
- 38.— ~~Opportunities to address stormwater pollution and hydrograph modification can be limited by current local design standards and guidance. For example, such standards and guidance may~~

~~reduce or prohibit opportunities to minimize impervious surfaces, minimize directly connected impervious area, provide for small-scale detention, and implement other management measures. Revision of current standards and guidance can result in a significantly increased ability for project designers to minimize project impacts and can also enhance local property values, neighborhood character, and overall quality of life. Further, revision of standards and guidance can allow implementation of site design measures in projects to meet or help meet the numeric sizing criteria in Provision C.3.d and/or the hydrograph modification limitation in Provision C.3.f.~~

- ~~39.—Certain control measures implemented or required by Permittees for urban runoff management may create a habitat for vectors (e.g., mosquitoes and rodents) if not properly designed or maintained. Close collaboration and cooperative effort among Permittees, local vector control agencies, Regional Board staff, and the State Department of Health Services is necessary to minimize potential nuisances and public health impacts resulting from vector breeding.~~
- ~~40.—Provision C.3.f requires the Permittees to prepare a Hydrograph Modification Management Plan (HMP), for approval by the Regional Board, to manage impacts from changes to the volume and velocity of stormwater runoff from new development and significant redevelopment projects, where these changes can cause excessive erosion damage to downstream watercourses. Transit village type developments within ¼ to within ½ mile of transit stations and/or intermodal facilities, and projects within "Redevelopment Project Areas" (as defined by Health and Safety Code Section 33000, et seq.) that redevelop an existing brownfield site or create housing units affordable to persons of low or moderate income as defined by Health and Safety Code Section 50093, are excepted from the requirements of C.3.f and the HMP. Significant change in impervious surface or significant change in stormwater runoff volume or timing is unlikely in these redevelopment circumstances, because these developments would be within a largely already paved catchment, and on a site that is largely already paved or otherwise impervious.~~

~~Similarly, as specified in Provision C.3.g.v, an exemption without the requirement for alternate, equivalent offsite treatment is allowed for the following redevelopment projects after impracticability of including onsite treatment measures is established, where such projects are built as redevelopment projects as defined in Finding 14, and it is clearly demonstrated that cost of participation in alternate, equivalent offsite treatment through a regional treatment or other equivalent water quality benefit project fund will unduly burden the project: creation of housing units affordable to persons of low or moderate income as defined by Health and Safety Code Section 50093, brownfield sites, and/or transit village type developments within ¼ mile of transit stations and/or intermodal facilities. Not only is significant change in impervious surface or significant change in stormwater runoff volume or timing unlikely in these redevelopment circumstances, but these redevelopment projects are also likely to provide reduced water quality impacts and/or other environmental benefits in their own right.~~

- ~~41.—The Regional Board recognized in its "Policy on the Use of Constructed Wetlands for Urban Runoff Pollution Control" (Resolution No. 94-102) that urban runoff treatment wetlands that are constructed and operated pursuant to that Resolution and are constructed outside of a creek or other receiving water, are stormwater treatment systems and, as such, are not waters of the United States subject to regulation pursuant to Sections 401 or 404 of the federal Clean Water Act. Regional Board staff is working with the California Department of Fish and Game (CDFG) and U.S. Fish and Wildlife Service (USFWS) to identify how maintenance for stormwater treatment controls required under permits such as this Permit can be appropriately streamlined, given CDFG and USFWS requirements, and particularly those that address special status species. The Permittees are expected to work diligently and in good faith with the appropriate agencies to obtain any approvals necessary to complete maintenance activities for treatment controls. If the Permittees have done so, when necessary and where maintenance approvals are not granted, the Permittees shall be considered by the Regional Board to be in compliance with Provision C.3.e of this Order.~~

#### **Finding in Support of Provision C.4: Public Information and Participation Performance Standards**

42. The implementation of a public information and participation program is a critical component of a stormwater management program. An informed and knowledgeable community is critical to the success of a stormwater program because it helps ensure greater support for the program as the public gains a greater understanding for stormwater pollution issues. An informed community also ensures greater compliance with the program as the public becomes aware of the personal responsibilities expected of them and others in the community, including the individual actions they can take to protect or improve the quality of area waters.

#### **Finding in Support of Provision C.5: Performance Standards for Municipal Maintenance**

43. Provision C.5 requires the Permittees to implement the municipal maintenance Performance Standards as set forth in the Management Plan, including, but not limited to, activities as described below. The work of municipal maintenance personnel is vital to minimize stormwater pollution, because personnel work directly on municipal storm drains and other municipal facilities (e.g., roads, parking lots, sidewalks, parks, landscaping, etc.). Through work such as inspecting and cleaning storm drain drop inlets and pipes and appropriately conducting municipal construction and maintenance activities upstream of the storm drain, municipal maintenance personnel are directly responsible for preventing and removing pollutants from the storm drain. Maintenance personnel also play an important role in educating the public and in reporting and cleaning up illicit discharges.

#### **Finding in Support of Provision C.6: Performance Standard for Rural Public Works Maintenance and Support**

44. Provision C.6 requires the Permittees to create an effective Best Management Practice (BMP) approach for the following rural public works maintenance and support activities: a) management and/or removal of large woody debris and live vegetation from stream channels; b) streambank stabilization projects; c) road construction, maintenance, and repairs in rural areas to prevent and control road-related erosion; and d) environmental permitting for rural public works activities. Road construction and other activities can disturb the soil and drainage patterns to streams in undeveloped areas, causing excess runoff and thereby erosion and the release of sediment. In particular, poorly designed roads can act as man-made drainages that carry water and sediment into natural streams, impacting water quality. In addition, other rural public works activities, including those the BMP approach would address, have the potential to significantly affect sediment discharge and transport within streams and other waterways, which can degrade the beneficial uses of those waterways. This Provision would help ensure these impacts are appropriately controlled.

#### **Findings 45-46: Monitoring**

45. Provision C.8 requires the annual and multi-year submittal and implementation of a Monitoring Program Plan, to include monitoring of receiving waters, in accordance with 40 CFR Parts 122.44(l) and 122.48. The purpose of the Monitoring Program Plan is to demonstrate the effectiveness of the Program's Management Plan and accordingly, demonstrate compliance with the conditions of the Permit. On April 15, 1992, the Regional Board adopted Resolution No. 92-043 directing the Executive Officer to implement the Regional Monitoring Program for San Francisco Bay. Subsequent to a public hearing and various meetings, Board staff requested major permit holders in the Region, under authority of Section 13267 of California Water Code, to report on the water quality of the Estuary. These permit holders, including the Permittees, responded to this request by participating in a collaborative effort through the San Francisco Estuary Institute. This effort has come to be known as the San Francisco Estuary Regional Monitoring Program for Trace Substances (RMP). The RMP involves collection and analysis of data on pollutants and toxicity in water, sediment and biota of the Estuary. The Permittees should continue to report on the water quality of the estuary, as presently required. Compliance with the requirement through participation in the RMP is considered to be adequate compliance. Alternatively, the Permittees may submit and implement an acceptable alternative monitoring plan. Annual reports from the RMP are referenced elsewhere in this Order.

46. The Regional Board has received the Program's draft Watershed Assessment and Monitoring Strategy for Fiscal Years 2002-2008, appended to this Order as Attachment B. The goal of this monitoring strategy is to support the development and implementation of the Management Plan and demonstrate its effectiveness along with showing the results of the Program's related monitoring work.

#### **Finding in Support of Provision C.9**

47. Provision C.9 requires identification of the non-prohibited types of discharges that the Permittees wish to exempt from Prohibition A. For conditionally exempted discharges which are pollutant sources, the Provision requires the Permittees to identify and incorporate into the Management Plan control measures to minimize the adverse impact of such sources. This Provision also establishes a mechanism to authorize under the Permit non-stormwater discharges owned or operated by the Permittees. The Program has developed a list of BMPs to eliminate adverse impacts of conditionally exempt discharges such as uncontaminated pumped groundwater, foundation drains, water from crawl spaces pumps, footing drains and planned and unplanned discharges from potable water sources, and water line and hydrant flushing.

#### **Finding in Support of Provision C.10: Water Quality-Based Requirements for Specific Pollutants of Concern**

48. This Provision requires the Permittees to implement programs to control pollutants that have the reasonable potential to cause or contribute to exceedances of water quality standards, including programs for copper, mercury, pesticides, polychlorinated biphenyls (PCBs) and dioxin-like compounds, and sediment, pursuant to the schedule provided in the Order. In addition, pursuant to Provision C.1 of this Order, if exceedances of water quality objectives persist notwithstanding implementation of Provisions C.2 through C.8 of this Order and the Plan, a Permittee shall report to the Regional Board on the control measures that are being implemented to reduce the amount of pollutants, and develop a plan to further address the pollutants that cause impairment over time. In response to prior Provision C.1 submissions, the Regional Board is including additional requirements in Provision C.10 of this Order to continue implementation of previously delineated pollutant specific control measures and identification and implementation of additional control measures necessary to prevent or reduce discharges of pollutants that are causing or contributing to the exceedance of water quality standards.

#### **Findings 49-50: Mercury**

49. In 1998, the Regional Board met in a public hearing and adopted a CWA Section 303(d) list that classified all of San Francisco Bay as impaired due to mercury. The Permit requires Permittees to control mercury, which has been found by the Regional Board to have the reasonable potential to cause or contribute to exceedances of water quality standards, to the maximum extent practicable.

50. To reduce levels of mercury in stormwater discharges, the Permittees have begun to implement a Mercury Pollutant Reduction Plan (Mercury Plan).

#### **Finding 51: Pesticides**

51. The Program conducted pioneering studies starting in 1994, determining that diazinon from urban runoff was responsible for toxicity in urban creeks. The Permit requires the Permittees to address pesticides, which have been found by the Regional Board to have the reasonable potential to cause or contribute to exceedances of water quality standards. The Program has submitted a proactive Diazinon Pollutant Reduction Plan, hereafter referred to as the "Pesticide Plan." The goals of the Pesticide Plan and of its resulting implementing actions are to reduce or substitute pesticide use (especially diazinon use) with less toxic alternatives.

#### **Findings 52-55: PCBs and Dioxins**

52. US EPA lists PCBs as a potential carcinogen. In addition, PCBs are suspected of having negative impacts on the human immune system, reproductive system, nervous system, endocrine system, and digestive system. Although their manufacture is now banned in the United States, PCBs continue to pose a serious risk due to their persistence in the environment. PCBs accumulate in fatty tissue. This is important to human health in that several of the more common food fishes in the Bay (e.g., striped bass, white croaker) are marked by relatively high fat content. The California Office of Environmental Health and Hazard Assessment issued an interim fish consumption advisory for all of San Francisco Bay, partly based on PCB concentrations found in Bay fishes.
53. Urban runoff is highly likely to be a conveyance mechanism associated with the impairment of San Francisco Bay for PCBs.
54. The Permit requires Permittees to control PCBs, which have been found by the Regional Board to have the reasonable potential to cause or contribute to exceedances of water quality standards, to the maximum extent practicable. The Program has submitted a PCBs Pollutant Reduction Plan. This Plan includes surveys of stream sediments to assess concentrations and loadings of PCBs, assesses potential for ongoing discharges of PCBs, and develops a plan to reduce discharges of PCBs in runoff.
55. Dioxins are persistent, bioaccumulative, toxic compounds that are produced from the combustion of organic materials in the presence of chlorine. Dioxins enter the air through fuel and waste emissions, including diesel and other motor vehicle exhaust fumes and trash incineration, and are carried in rain and contaminate soil. Dioxins bioaccumulate in fat and most human exposure occurs through the consumption of animal fats, including those from fish.

#### **Findings 56-58: Implementation**

56. It is the Regional Board's intent that this Order shall ensure attainment of applicable water quality objectives and protection of the beneficial uses of receiving waters and associated habitat. This Order therefore includes standard requirements to the effect that discharges shall not cause exceedances of water quality objectives nor shall they cause certain conditions to occur which create a condition of nuisance or water quality impairment in receiving waters. Accordingly, the Regional Board is requiring that these standard requirements be addressed through the implementation of technically and economically feasible control measures to reduce pollutants in stormwater discharges to the maximum extent practicable as provided in Provisions C.1 through C.10 of this Order. Compliance with the Discharge Prohibition, Receiving Water Limitations, and Provisions of this Order is deemed compliance with the requirements of this Order. If these measures, in combination with controls on other point and nonpoint sources of pollutants, do not result in attainment of applicable water quality objectives, the Regional Board may invoke Provision C.1 and may reopen this Permit pursuant to Provisions C.1 and C.13 of this Order to impose additional conditions which require implementation of additional control measures.
57. It is generally not considered feasible at this time to establish numeric effluent limitations for pollutants in municipal stormwater discharges. Instead, the provisions of this permit require implementation of BMPs to the maximum extent practicable to control and abate the discharge of pollutants in stormwater discharges.
58. The Program is organized, coordinated, and implemented based upon the "Agreement for Implementation of the Alameda County Urban Runoff Clean Water Program," now Alameda Countywide Clean Water Program, and referred to in this Order as the Program. The agreement is provided as Appendix A of the Management Plan. The roles and responsibilities of the Permittees are, in part, as follows:
- a. The Management Committee, which includes representatives from all of the Permittees, is the decision making body of the Program. It operates within the budget and policies established by the Permittees' governing boards and councils to decide matters of budget and policy necessary to implement the Management Plan, and provides direction to the Program Manager and staff. The Management Committee has established subcommittees

to assist in planning and implementation of the Management Plan, and may add, modify, or delete such groups as deemed necessary.

- b. Each of the Permittees is individually responsible for adoption and enforcement of ordinances and policies, implementation of assigned control measures/ BMPs needed to prevent or reduce pollutants in stormwater, and for providing funds for the capital, operation, and maintenance expenditures necessary to implement such control measures/BMPs within its jurisdiction. Each Permittee is also responsible for its share of the costs of the area-wide component of the Program as specified in the Agreement. Except for area-wide components of the Program, enforcement actions concerning this Order will be pursued only against the individual Permittee(s) responsible for specific violations of this Order.

#### **Findings 59-64: Public Process**

59. Regional Board staff has worked in cooperation with the Program to develop a Tentative Order and the Performance Standards in the Management Plan. Regional Board staff conducted a series of meetings with the Stormwater Quality Management Plan (SWQMP) coordinating committee, a subgroup of the Program. These meetings included Regional Board staff and representatives of the Permittees. Through this process, the SWQMP coordinating committee attempted to identify, prioritize, and resolve issues related to the Permittees' and Program's performance, the Management Plan, and this Order, and attempted to develop a consensus concerning the requirements reflected herein.

60. The following is a brief summary of public meetings and comment periods on versions of the Permit's Tentative Order. Regional Board staff met with the SWQMP coordinating committee on February 22, March 22, April 26, and May 23, 2002. The administrative draft was released on June 6, 2002, and comments on the draft were received until June 27, 2002. Regional Board staff met with a workgroup consisting of representatives of the Permittees on July 17, July 25, August 5, and October 28, 2002, and with representatives of the Natural Resources Defense Council (NRDC) on July 18, 2002. The Permittees and Regional Board staff together conducted three (3) outreach workshops on the portions of the Tentative Order addressing new development and redevelopment. Workshops were held on July 18, 2002, in Hayward; on July 25, 2002, in Oakland; and on July 29, 2002, in Pleasanton; and were attended by Permittee staff and other interested parties, including consultants and builders. Regional Board staff also met on dates including April 23, May 22, and October 30, 2002, with representatives of the Coastal Region Vector Control Agencies, including representatives of the Alameda County Mosquito Abatement District and the State Department of Health Services. On December 18, 2002, and January 22, 2003, the Regional Board heard testimony from the Dischargers and interested public on the Revised Tentative Order. On January 17 and 31, and February 7 and 14, 2003, Regional Board staff conducted public meetings on the Revised Tentative Order.

The Tentative Order was released for public comments on August 21, 2002, by surface mail, electronic mails and posting on the Regional Board website. Comments on the Tentative Order were accepted until October 9, 2002. Based on comments received, appropriate changes were made and submitted to the Regional Board as a Revised Tentative Order for its consideration on December 18, 2002. From December 20, 2002 to January 10, 2003, the comment period was reopened by the Regional Board to allow additional submittals relative to projected cost of the amendment of Order No. 99-058 to both the Dischargers and the development community.

61. The Regional Board has notified the Permittees and interested agencies and interested persons of its intent to prescribe reissued waste discharge requirements and a reissued NPDES permit for this discharge and has provided them with an opportunity for a public hearing and an opportunity to submit their written views and recommendations.

62. The Regional Board, through public testimony in public meetings and in written form, has received and considered all comments pertaining to this Order.

63. The Regional Board will notify interested agencies and interested persons of the availability of reports, plans, and schedules, including Annual Reports, Work Plans, Performance Standards,

and the Management Plan, and will provide interested persons with an opportunity for a public hearing and/or an opportunity to submit their written views and recommendations. The Regional Board will consider all comments and may modify the reports, plans, or schedules or may modify this Order in accordance with applicable law. All submittals required by this Order conditioned with acceptance by the Regional Board will be subject to these notification, comment, and public hearing procedures.

64.—This Order supercedes and rescinds Order Nos. 97-030 and 99-049.

65.—This Order serves as a NPDES permit, pursuant to CWA Section 402, or amendments thereto, and shall become effective fifty (50) days after the date of its adoption provided the Regional Administrator, US EPA, Region IX, has no objections.

**IT IS HEREBY ORDERED that the Permittees, in order to meet the provisions contained in Division 7 of the California Water Code and regulations adopted hereunder and the provisions of the Clean Water Act as amended and regulations and guidelines adopted hereunder, shall comply with the following:**

#### **A. DISCHARGE PROHIBITION**

The Permittees shall, within their respective jurisdictions, effectively prohibit the discharge of non-stormwater (materials other than stormwater) into the storm drain systems and watercourses. NPDES permitted discharges are exempt from this prohibition. Compliance with this prohibition shall be demonstrated in accordance with Provision C.1 and C.9 of this Order. Provision C.9 describes a tiered categorization of non-stormwater discharges based on potential for pollutant content, which may be discharged upon adequate assurance that the discharge contains no pollutants of concern, at concentrations that will impact beneficial uses or cause exceedances of water quality standards.

#### **B. RECEIVING WATER LIMITATIONS**

- 1.—The discharge shall not cause the following conditions to create a condition of nuisance or to adversely affect beneficial uses of waters of the State:
  - a.— Floating, suspended, or deposited macroscopic particulate matter, or foam;
  - b.— Bottom deposits or aquatic growths;
  - c.— Alteration of temperature, turbidity, or apparent color beyond present natural background levels;
  - d.— Visible, floating, suspended, or deposited oil or other products of petroleum origin; and/or
  - e.— Substances present in concentrations or quantities which will cause deleterious effects on aquatic biota, wildlife, or waterfowl, or which render any of these unfit for human consumption.
- 2.—The discharge shall not cause or contribute to a violation of any applicable water quality standard for receiving waters. If applicable water quality objectives are adopted and approved by the State Board after the date of the adoption of this Order, the Regional Board may revise and modify this Order as appropriate.

#### **C. PROVISIONS**

##### **1.—Water Quality Standards Exceedances**

The Permittees shall comply with Discharge Prohibition A and Receiving Water Limitations B.1 and B.2 through the timely implementation of control measures and other actions to reduce pollutants in the discharge in accordance with the Management Plan and other requirements of this permit, including any modifications. The Management Plan shall be designed to achieve compliance with Receiving Water Limitations B.1 and B.2. If exceedance(s) of water quality standards or water quality objectives (collectively, WQSc) persist notwithstanding implementation of the Management Plan, a Permittee shall assure compliance with Discharge



Prohibition A and Receiving Water Limitations B.1 and B.2 by complying with the following procedure:

- a. Upon a determination by either the Permittee(s) or the Regional Board that discharges are causing or contributing to an exceedance of an applicable WQS, the Permittee(s) shall promptly notify and thereafter submit a report to the Regional Board that describes BMPs that are currently being implemented and additional BMPs that will be implemented to prevent or reduce any pollutants that are causing or contributing to the exceedance of WQs. The report may be incorporated in the annual update to the Management Plan unless the Regional Board directs an earlier submittal. The report shall include an implementation schedule. The Regional Board may require modifications to the report;
- b. Submit any modifications to the report required by the Regional Board within 30 days of notification;
- c. Within 30 days following approval of the report described above by the Regional Board, the Permittees shall revise the Management Plan and monitoring program to incorporate the approved modified control measures that have been and will be implemented, the implementation schedule, and any additional monitoring required; and,
- d. Implement the approved revised Management Plan and monitoring program in accordance with the approved schedule.

As long as Permittees have complied with the procedures set forth above and are implementing the revised Management Plan, they do not have to repeat the same procedure for continuing or recurring exceedances of the same receiving water limitations unless directed by the Regional Board to develop additional control measures and BMPs.

## **2. Stormwater Quality Management Plan and Performance Standards**

- a. The Permittees shall implement control measures/BMPs to reduce pollutants in stormwater discharges to the maximum extent practicable. The Management Plan shall serve as the framework for identification, assignment, and implementation of practices of such control measures/BMPs. The Management Plan contains Performance Standards that address the following Program components: Public Information and Participation, Municipal Maintenance, New Development and Significant Redevelopment, Construction Site Controls, Illicit Discharge Controls, and Industrial and Commercial Discharge Controls. Performance Standards are defined as the level of implementation necessary to demonstrate the control of pollutants in stormwater to the maximum extent practicable. The Permittees shall implement the Management Plan, and shall subsequently demonstrate its effectiveness and provide for necessary and appropriate revisions, modifications, and improvements to reduce pollutants in stormwater discharges to the maximum extent practicable and as required by Provisions C.1 through C.11 of this Order.
- b. The Management Plan shall be revised to adopt and incorporate any new Performance Standards developed by the Permittees or any revised Performance Standard identified by the Permittees through the Program's process for evaluating and improving its effectiveness or other means described in Provision C.1. Performance Standards shall be developed or revised through a process which includes 1) opportunities for public participation, 2) appropriate external technical input and criteria for the applicability, economic feasibility, design, operation, and maintenance, and 3) measures for evaluation of effectiveness so as to achieve pollutant reduction or pollution prevention benefits to the maximum extent practicable. New or revised Performance Standards may be based upon special studies or other activities conducted by the Permittees, literature review, or special studies conducted by other programs or Permittees. New or revised Performance Standards shall include the baseline components to be accomplished and the method to be used to verify that the Performance Standard has been achieved. The Permittees shall incorporate newly developed or updated Performance Standards, acceptable to the Executive Officer, into applicable annual revisions to the Management Plan and adhere to implementation of the

~~new/revised Performance Standard(s). In addition to the annual Management Plan revisions, the Permittees shall submit a compilation of all annual Management Plan revisions by three (3) years after Board adoption of this Order, which shall serve in part as the re-application package for the next Permit. The draft Annual Workplan required in Provision C.6 shall identify Performance Standards that will be developed or revised for the upcoming fiscal year. Following the addition/revision of a Performance Standard, acceptable to the Executive Officer, the Permittees for which the Performance Standard is applicable shall adhere to its implementation.~~

### ~~3. New Development and Redevelopment Performance Standards~~

~~The Permittees will continue to implement the new development and redevelopment Performance Standards contained in the Management Plan and improve them to achieve the control of stormwater pollutants to the maximum extent practicable in accordance with the following sections:~~

#### ~~a. Performance Standard Implementation~~

~~The Dischargers shall continue to implement and improve, as necessary and appropriate, the performance standards for new development and redevelopment controls detailed on Pages B-ND-1 through B-ND-6 of the July 1996 Management Plan.~~

#### ~~b. Development Project Approval Process~~

~~The Permittees shall modify their project review processes as needed to incorporate the requirements of Provision C.3. Each Permittee shall include conditions of approval in permits for applicable projects, as defined in Provision C.3.c, to ensure that stormwater pollutant discharges are reduced by incorporation of treatment measures and other appropriate source control and site design measures, and increases in runoff flows are managed in accordance with Provision C.3.f, to the maximum extent practicable. Such conditions shall, at a minimum, address the following goals:~~

- ~~i. Require a project proponent to implement site design/landscape characteristics where feasible which maximize infiltration (where appropriate), provide retention or detention, slow runoff, and minimize impervious land coverage, so that post-development pollutant loads from a site have been reduced to the maximum extent practicable; and~~
- ~~ii. For new and redevelopment projects that discharge directly (not mixed with runoff from other developed sites) to water bodies listed as impaired by a pollutant(s) pursuant to CWA Section 303(d), ensure that post-project runoff does not exceed pre-project levels for such pollutant(s), through implementation of the control measures addressed in this provision, to the maximum extent practicable, in conformance with Provision C.1.~~

~~Modification of project review processes shall be completed by February 15, 2005.~~

#### ~~c. Applicable Projects – New and Redevelopment Project Categories~~

~~New development and significant redevelopment projects that are subject to Provision C.3 are grouped into two (2) categories based on project size. While all projects regardless of size should consider incorporating appropriate source control and site design measures that minimize stormwater pollutant discharges to the maximum extent practicable, new and redevelopment projects that do not fall into Group 1 or Group 2 are not subject to the requirements of Provision C.3. Provision C.3 shall also not apply to projects for which a privately-sponsored development application has been deemed complete by a Permittee or, with respect to public projects, for which funding has been committed and for which construction is scheduled by February 15, 2005.~~

#### ~~i. Group 1 Projects~~

Permittees shall require Group 1 Projects to implement appropriate source control and site design measures and to design and implement stormwater treatment measures, to reduce the discharge of stormwater pollutants to the maximum extent practicable. Implementation of this requirement shall begin February 15, 2005. Group 1 Projects consist of all public and private projects in the following categories:

1.—Commercial, industrial, or residential developments that create one acre (43,560 square feet) or more of impervious surface, including roof area, streets and sidewalks. This category includes any development of any type on public or private land, which falls under the planning and building authority of the Permittees, where one acre or more of new impervious surface, collectively over the entire project site, will be created.

Construction of one single family home, which is not part of a larger common plan of development, with the incorporation of appropriate pollutant source control and design measures, and using landscaping to appropriately treat runoff from roof and house-associated impervious surfaces (e.g., runoff from roofs, patios, driveways, sidewalks, and similar surfaces), would be in substantial compliance with Provision C.3.

2.—Streets, roads, highways, and freeways that are under the Permittees' jurisdiction and that create one acre (43,560 square feet) or more of new impervious surface. This category includes any newly constructed paved surface used primarily for the transportation of automobiles, trucks, motorcycles, and other motorized vehicles. Excluded from this category are sidewalks, bicycle lanes, trails, bridge accessories, guardrails, and landscape features.

3.—Significant Redevelopment projects. This category is defined as a project on a previously developed site that results in addition or replacement, which combined total 43,560 sq ft or more of impervious surface on such an already developed site ("Significant Redevelopment"). Where a Significant Redevelopment project results in an increase of, or replacement of, more than fifty percent (50%) of the impervious surface of a previously existing development, and the existing development was not subject to stormwater treatment measures, the entire project must be included in the treatment measure design. Conversely, where a Significant Redevelopment project results in an increase of, or replacement of, less than fifty percent (50%) of the impervious surface of a previously existing development, and the existing development was not subject to stormwater treatment measures, only that affected portion must be included in treatment measure design. Excluded from this category are interior remodels and routine maintenance or repair. Excluded routine maintenance and repair includes roof or exterior surface replacement, pavement resurfacing, repaving and road pavement structural section rehabilitation, within the existing footprint, and any other reconstruction work within a public street or road right-of-way where both sides of that right-of-way are developed.

#### ii.—Group 2 Projects

The Group 2 Project definition is in all ways the same as the Group 1 Project definition above, except that the size threshold of impervious area for new and Significant Redevelopment projects is reduced from one (1) acre (43,560 sq ft) of impervious surface to ten thousand (10,000) square feet. Permittees shall require Group 2 Projects to implement appropriate source control and site design measures and to design and implement appropriate stormwater treatment measures to reduce stormwater pollution to the maximum extent practicable. Projects consisting of one single family home not part of a larger common plan of development are excluded from the Group 2 Project definition, and therefore excluded from the requirement to implement appropriate stormwater treatment measures. Implementation of this

requirement shall begin by August 15, 2006, at which time the definition of Group 1 Projects is changed to include all Group 2 Projects.

**iii. ~~Proposal for Alternative Group 2 Project Definition~~**

~~The Program and/or any Permittee may propose, for approval by the Regional Board, an Alternative Group 2 Project definition, with the goal that any such alternative definition aim to ensure that the maximum created impervious surface area is treated for the minimum number of projects subject to Permittee review. Any such proposal shall contain supporting information about the Permittees' development patterns, and sizes and numbers of proposed projects for several years, that demonstrates that the proposed definition would be substantially as effective as the Group 2 Project definition in Provision C.3.c.ii. Proposals may include differentiating projects subject to the Alternative Group 2 Project definition by land use, by focusing solely on the techniques recommended by Start at the Source for documented low pollutant loading land uses, and/or by optimum use of landscape areas required by Permittees under existing codes as treatment measures. Proposals may be submitted anytime, with the understanding that the Group 2 Project definition, as described in Provision C.3.c.ii will be upheld as the default in the absence of an approved Alternative Group 2 Project definition.~~

**d. ~~Numeric Sizing Criteria For Pollutant Removal Treatment Systems~~**

~~All Permittees shall require that treatment measures be constructed for applicable projects, as defined in Provision C.3.c, that incorporate, at a minimum, the following hydraulic sizing design criteria to treat stormwater runoff. As appropriate for each criterion, the Permittees shall use or appropriately analyze local rainfall data to be used for that criterion.~~

**i. ~~Volume Hydraulic Design Basis~~**

~~Treatment measures whose primary mode of action depends on volume capacity, such as detention/retention units or infiltration structures, shall be designed to treat stormwater runoff equal to:~~

- ~~1. The maximized stormwater quality capture volume for the area, based on historical rainfall records, determined using the formula and volume capture coefficients set forth in Urban Runoff Quality Management, WEF Manual of Practice No. 23/ ASCE Manual of Practice No. 87, (1998), pages 175-178 (e.g., approximately the 85th percentile twenty-four hour storm runoff event); or~~
- ~~2. The volume of annual runoff required to achieve eighty percent (80%) or more capture, determined in accordance with the methodology set forth in Appendix D of the California Stormwater Best Management Practices Handbook (1993), using local rainfall data.~~

**ii. ~~Flow Hydraulic Design Basis~~**

~~Treatment measures whose primary mode of action depends on flow capacity, such as swales, sand filters, or wetlands, shall be sized to treat:~~

- ~~1. 10% of the 50-year peak flow rate; or~~
- ~~2. The flow of runoff produced by a rain event equal to at least two (2) times the eighty-fifth percentile hourly rainfall intensity for the applicable area, based on historical records of hourly rainfall depths; or~~
- ~~3. The flow of runoff resulting from a rain event equal to at least 0.2 inches per hour intensity.~~

**e. ~~Operation and Maintenance of Treatment Measures~~**

All treatment measures shall be adequately operated and maintained by complying with the process described below. Beginning July 1, 2004, each Permittee shall implement a treatment measures operation and maintenance (O&M) verification program (O&M Program), which shall include the following:

- i. ~~Compilation of a list of properties (public and private) and responsible operators for, at a minimum, all treatment measures implemented from the date of adoption of this Order. Information on the location of all stormwater treatment measures shall be sent to the Alameda County Mosquito Abatement District. In addition, the Permittees shall inspect a subset of prioritized treatment measures for appropriate O&M, on an annual basis, with appropriate follow-up and correction.~~
  - ii. ~~Verification and access assurance at a minimum shall include: where a private entity is responsible for O&M, the entity's signed statement accepting responsibility for maintenance until the responsibility is legally transferred to another entity, and access permission to the extent allowable by law for representatives of the Permittee, local vector control district, and Regional Board staff strictly for the purpose of O&M verification for the specific stormwater treatment system to the extent allowable by law; and, for all entities, either:
 
    - 1. ~~A signed statement from the public entity assuming post construction responsibility for treatment measure maintenance and that the treatment measures meet all local agency design standards; or~~
    - 2. ~~Written conditions in the sales or lease agreement requiring the buyer or lessee to assume responsibility for O&M consistent with this provision, which conditions, in the case of purchase and sale agreements, shall be written to survive beyond the close of escrow; or~~
    - 3. ~~Written text in project conditions, covenants and restrictions (CCRs) for residential properties assigning O&M responsibilities to the home owners association for O&M of the treatment measures; or~~
    - 4. ~~Any other legally enforceable agreement or mechanism that assigns responsibility for the maintenance of treatment measures.~~~~
  - iii. ~~O&M Reporting: the Permittees shall report on their O&M Program in each Annual Report, starting with the Annual Report to be submitted September 2005. The Annual Report shall contain a description of the organizational structure of the Permittee's O&M Program; an evaluation of that O&M Program's effectiveness; summary of any planned improvements in O&M Program; and a list or summary of treatment measures that have been inspected that year with inspection results.~~
  - iv. ~~The Program shall submit by June 1, 2004, a vector control plan for Executive Officer approval, after consultation with the appropriate vector control agencies. The plan shall include design guidance for treatment measures to prevent the production of vectors, particularly mosquitoes, and provide guidance on including vector abatement concerns in O&M and verification inspection activities.~~
  - v. ~~The Permittees are expected to work diligently and in good faith with the appropriate state and federal agencies to obtain any approvals necessary to complete maintenance activities for stormwater treatment measures. If the Permittees have done so, and maintenance approvals are not granted, where necessary, the Permittees shall be deemed by the Regional Board to be in compliance with this Provision.~~
- f. ~~Limitation on Increase of Peak Stormwater Runoff Discharge Rates~~**
- i. ~~The Permittees shall manage increases in peak runoff flow and increased runoff volume, for all Group 1 Projects where such increased flow and/or volume is likely to cause increased erosion of creek beds and banks, silt pollutant generation, or other impacts to beneficial uses. Such management shall be through implementation of a Hydrograph~~

~~Modification Management Plan (HMP). The HMP, once approved by the Regional Board, shall be implemented so that post project runoff shall not exceed estimated pre-project rates and/or durations, where the increased stormwater discharge rates and/or durations will result in increased potential for erosion or other significant adverse impacts to beneficial uses, attributable to changes in the amount and timing of runoff. The term duration in this Provision is defined as the period that flows are above a threshold that causes significant sediment transport and may cause excessive erosion damage to creeks and streams.~~

- ~~ii. Provision C.3.f.i does not apply to new development and significant redevelopment projects where the project discharges stormwater runoff into creeks or storm drains where the potential for erosion or other impacts to beneficial uses, is minimal. Such situations may include discharges into creeks that are concrete lined or significantly hardened (e.g., with rip rap, sackrete, etc.) downstream to their outfall in San Francisco Bay, underground storm drains discharging to the Bay, and construction of infill projects in highly developed watersheds, where the potential for single project and/or cumulative impacts is minimal. Guidelines for identification of such situations shall be included as a part of the HMP. However, plans to restore a creek reach may re-introduce the applicability of HMP controls, and would need to be addressed in the HMP.~~
- ~~iii. The HMP may identify conditions under which some increases in runoff may not have a potential for increased erosion or other impacts to beneficial uses. Reduced controls or no controls on peak stormwater runoff discharge rates and/or durations may be appropriate in those cases, subject to the conditions in the HMP. In the absence of information demonstrating that changes in post development runoff discharge rates and durations will not result in increased potential for erosion or other adverse impacts to beneficial uses, the HMP requirements shall apply.~~
- ~~iv. The HMP proposal, at a minimum, shall include:
 
  - ~~1. A review of pertinent literature;~~
  - ~~2. A protocol to evaluate potential hydrograph change impacts to downstream watercourses from proposed projects;~~
  - ~~3. An identification of the rainfall event below which these standards and management requirements apply, or range of rainfall events to which these requirements apply;~~
  - ~~4. A description of how the Permittees will incorporate these requirements into their local approval processes, or the equivalent; and,~~
  - ~~5. Guidance on management practices and measures to address identified impacts.~~

~~The Permittees may prioritize which individual watersheds the HMP would initially apply to, if it were demonstrated in the HMP that such prioritization is appropriate.~~

~~The Permittees may work appropriately with the Santa Clara Valley Urban Runoff Pollution Prevention Program and/or other Bay Area stormwater programs as part of completing these requirements. For example, the Permittees may wish to expand on the literature review being completed by the Santa Clara Valley Urban Runoff Program under its permit, rather than authoring their own literature review from scratch. While such cooperation is encouraged, it shall not be grounds for delaying compliance beyond the schedule set forth herein.~~~~
- ~~v. The identified maximum rainfall event or rainfall event range may be different for specific watersheds, streams, or stream reaches. Individual Permittees may utilize the protocol to determine a site or area specific rainfall event or event range standard.~~
- ~~vi. The HMP's evaluation protocols, management measures, and other information may include the following:~~

1. ~~Evaluation of the cumulative impacts of urbanization of a watershed on stormwater discharge and stream morphology in the watershed;~~
  2. ~~Evaluation of stream form and condition, including slope, discharge, vegetation, underlying geology, and other information, as appropriate;~~
  3. ~~Implementation of measures to minimize impervious surfaces and directly connected impervious area in new development and redevelopment projects;~~
  4. ~~Implementation of measures including stormwater detention, retention, and infiltration;~~
  5. ~~Implementation of land use planning measures (e.g., stream buffers and stream restoration activities, including restoration in advance of floodplains so that floodplains will be able to handle the anticipated increased flows, revegetation, use of less impacting facilities at the point(s) of discharge, etc.) to allow expected changes in stream channel cross sections, stream vegetation, and discharge rates, velocities, and/or durations without adverse impacts to stream beneficial uses;~~
  6. ~~A mechanism for pre- vs. post-project assessment to determine the effectiveness of the HMP and to allow amendment of the HMP, as appropriate; and,~~
  7. ~~Other measures, as appropriate.~~
- vii. ~~**Equivalent limitation of peak flow impacts:** The Permittees may develop an equivalent limitation protocol, as part of the HMP, to address impacts from changes in the volumes, velocities, and/or durations of peak flows through measures other than control of those volumes and/or durations. The protocol may allow increases in peak flow and/or durations, subject to the implementation of specified design, source control, and/or treatment control measures and land planning practices that take into account expected stream change (e.g., increases in the cross-sectional area of stream channel) resulting from changes in discharge rates and/or durations, while maintaining or improving beneficial uses of waters.~~
- viii. ~~The Permittees as a group shall complete the HMP according to the schedule below. All required documents shall be submitted for approval by the Executive Officer, based on the criteria set forth in this Order, except the HMP, which shall be submitted for approval by the Regional Board. Development and implementation status shall be reported in the Permittees' Annual Reports, which shall also provide a summary of projects incorporating measures to address this Provision and the measures used.~~
1. ~~February 15, 2004: Submit a detailed workplan and schedule for completion of the literature review, development of a protocol to identify an appropriate limiting storm, development of guidance materials, and other required information;~~
  2. ~~February 15, 2004: Submit literature review;~~
  3. ~~November 15, 2004: Submit a draft HMP, including the analysis that identifies the appropriate limiting storm and the identified limiting storm event(s) or event range(s);~~
  4. ~~May 15, 2005: Submit the HMP for Regional Board approval; and,~~
  5. ~~Upon approval by the Regional Board, implement the approved HMP, which shall include the requirements of this Provision. Prior to approval of the HMP by the Regional Board, the early implementation of measures likely to be included in the HMP shall be encouraged by the Permittees.~~
- g. ~~**Alternative Compliance Based on Impracticability and Requiring Compensatory Mitigation**~~
- i. ~~The Permittees may establish a program under which a project proponent may request alternative compliance with the requirement in Provision C.3.c. to install treatment~~

~~measures onsite for a given project, upon an appropriate showing of impracticability, and with a provision to treat offsite an equivalent surface area, pollutant loading or quantity of stormwater runoff, or provide other equivalent water quality benefit, such as stream restoration or other activities that limit or mitigate impacts from excessive erosion or sedimentation. The offsite location of this equivalent stormwater treatment, or water quality benefit, shall be where no other requirement in Provision C.3.c for treatment exists, and within the same stormwater runoff drainage basin and treating runoff discharging to the same receiving water, where feasible. Under this Provision, enhancements of existing mitigation projects are acceptable. The Permittees should specifically define the basis for impracticability or infeasibility, which may include situations where onsite treatment is technically feasible, but excessively costly, as determined by set criteria.~~

- ~~ii. **Regional Solutions:** The alternative compliance may allow a project proponent to participate in a regional or watershed-based stormwater treatment facility, without a showing of impracticability at the individual project site, if the regional or watershed-based stormwater treatment facility discharges into the same receiving water, where feasible.~~
- ~~iii. The Program is encouraged to propose a model alternative compliance program on behalf of the Permittees, for approval by the Regional Board, and for potential adoption and implementation by the Permittees.~~
- ~~iv. The alternative compliance program proposal should state the criteria for granting alternatives from the requirement to install treatment measures onsite; criteria for determining impracticability or infeasibility; and criteria for use of regional or watershed-based stormwater treatment facilities. The proposal should also describe how the project sponsor will provide equivalent water quality benefits or credit to an alternative project or to a regional or watershed treatment facility and tracking mechanisms to support the reporting requirements set forth in Provision C.3.g.vi below.~~
- ~~v. An exemption without the requirement for alternate, equivalent offsite treatment is allowed for the following redevelopment projects after impracticability of including onsite treatment measures is established, where such projects are built as redevelopment projects as defined in Finding 14, and it is clearly demonstrated that cost of participation in alternate, equivalent offsite treatment through a regional treatment or other equivalent water quality benefit project fund will unduly burden the project: creation of housing units affordable to persons of low or moderate income as defined by Health and Safety Code Section 50093, brownfield sites, and/or transit village type developments within ¼ mile of transit stations and/or intermodal facilities.~~
- ~~vi. Reporting: Each year, as part of its Annual Report, each Permittee shall provide a list of alternative projects and exemptions it granted. For each project and exemption, the following information shall be provided:
 
  - ~~1. Name and location of the project for which the alternative project or exemption was granted;~~
  - ~~2. Project type (e.g., restaurant, residence, shopping center) and size;~~
  - ~~3. Area or percent of impervious surface in the project's final design;~~
  - ~~4. Reason for granting the alternative project or exemption, including, for those projects granted an exemption without the requirement for alternate, equivalent offsite treatment, a demonstration that cost of such equivalent offsite treatment unduly burdened the project;~~
  - ~~5. Terms of the alternative project or exemption; and,~~
  - ~~6. The offsite stormwater treatment project receiving the benefit, and the date of completion of the project.~~~~



~~vii. **Interim Alternative Compliance Program:** In the event that an alternative compliance program has not been proposed by the Program and/or a Permittee, approved by the Regional Board, or implemented by a particular Permittee by the date of implementation of Group 1 Projects, provision for an interim alternative to the requirement to install treatment measures onsite may be granted by a Permittee. An interim alternative compliance project may be granted if the project proponent (1) demonstrates onsite impracticability due to extreme limitations of space for treatment and lack of below grade surface treatment options, and (2) presents sufficient assurance of providing equivalent offsite stormwater pollutant and/or volume treatment at another location within the drainage basin, for which construction of stormwater treatment measures is not otherwise required, discharging into the same receiving water, where feasible. The Permittee shall be responsible for assuring that equivalent offsite treatment has occurred for any use of this interim alternative compliance, within six (6) months of project construction, and shall report the basis of onsite impracticability and the nature of equivalent offsite treatment for each project in its Annual Report. Any equivalent offsite treatment that does not include construction of stormwater treatment measures must be approved by the Executive Officer, based on the criteria set forth in this Order. This interim alternative compliance clause will be void when Regional Board approves the alternative compliance program described in Provision C3.g.i-iv, above.~~

~~h. **Alternative Certification of Adherence to Design Criteria for Stormwater Treatment Measures**~~

~~In lieu of conducting detailed review to verify the adequacy of measures required pursuant to Provisions C.3.d, a Permittee may elect to accept a signed certification from a Civil Engineer or a Licensed Architect or Landscape Architect registered in the State of California, or another Permittee that has overlapping jurisdictional project permitting authority, that the plan meets the criteria established herein. The Permittee should verify that each certifying person has been trained on treatment measure design for water quality not more than three (3) years prior to the signature date, and that each certifying person understands the groundwater protection principles applicable to the project site (see Provision C.3.i: Limitations on Use of Infiltration Treatment Measures). Training conducted by an organization with stormwater treatment measure design expertise (e.g., a university, American Society of Civil Engineers, American Society of Landscape Architects, American Public Works Association, or the California Water Environment Association) may be considered qualifying.~~

~~i. **Limitations on Use of Infiltration Treatment Measures – Infiltration and Groundwater Protection**~~

~~In order to protect groundwater from pollutants that may be present in urban runoff, treatment measures that function primarily as infiltration devices (such as infiltration basins and infiltration trenches not deeper than their maximum width) shall meet, at a minimum, the following conditions:~~

- ~~i. Pollution prevention and source control measures shall be implemented at a level appropriate to protect groundwater quality at sites where infiltration devices are to be used;~~
- ~~ii. Use of infiltration devices shall not cause or contribute to degradation of groundwater water quality objectives;~~
- ~~iii. Infiltration devices shall be adequately maintained to maximize pollutant removal capabilities;~~
- ~~iv. The vertical distance from the base of any infiltration device to the seasonal high groundwater mark shall be at least ten (10) feet. Note that some locations within the Permittees' jurisdiction are characterized by highly porous soils and/or a high groundwater table; in these areas treatment measure approvals should be subject to a~~

higher level of analysis (e.g., considering the potential for pollutants such as on-site chemical use, the level of pretreatment to be achieved, and similar factors);

- v. Unless stormwater is first treated by a means other than infiltration, infiltration devices shall not be recommended as treatment measures for areas of industrial or light industrial activity; areas subject to high vehicular traffic (25,000 or greater average daily traffic on main roadway or 15,000 or more average daily traffic on any intersecting roadway); automotive repair shops; car washes; fleet storage areas (bus, truck, etc.); nurseries; and other high threat to water quality land uses and activities as designated by each Permittee; and,
- vi. Infiltration devices shall be located a minimum of 100 feet horizontally from any water supply wells.

**j. Site Design Measures Guidance and Standards Development**

- i. The Permittees shall review their local design standards and guidance for opportunities to make revisions that would result in reduced impacts to water quality and beneficial uses of waters. In this event, the Permittees shall make any such revisions and implement the updated standards and guidance, as necessary.

Areas of site design that may be appropriate to address include the following, which are offered as examples:

1. Minimize land disturbance;
2. Minimize impervious surfaces (e.g., roadway width, driveway area, and parking lot area), especially directly connected impervious areas;
3. Minimum impact street design standards for new development and redevelopment, including typical specifications (e.g., neo-traditional street design standards and/or street standards recently revised in other cities, including Portland, Oregon, and Vancouver, British Columbia);
4. Minimum impact parking lot design standards, including parking space maximization within a given area, use of landscaping as a stormwater drainage feature, use of pervious pavements, and parking maxima;
5. Clustering of structures and pavement;
6. Typical specifications or "acceptable design" guidelines for lot-level design measures, including:
  - Disconnected roof downspouts to splash blocks or "bubble-ups;"
  - Alternate driveway standards (e.g., wheelways, unit pavers, or other pervious pavements); and,
  - Microdetention, including landscape detention and use of cisterns (may also be considered treatment measures);
7. Preservation of high-quality open space;
8. Maintenance and/or restoration of riparian areas and wetlands as project amenities, including establishing vegetated buffer zones to reduce runoff into waterways, allow for stream channel change as a stream's contributing watershed urbanizes, and otherwise mitigate the effects of urban runoff on waters and beneficial uses of waters (may also be considered treatment measures); and,
9. Incorporation of supplemental controls to minimize changes in the volume, flow rate, timing, and duration of runoff, for a given precipitation event or events. These changes include cumulative hydromodification caused by site development. Measures may include landscape-based measures or other features to reduce the

~~velocity of, detain, and/or infiltrate stormwater runoff (may also be considered treatment measures).~~

~~ii.—The standards and guidance review shall be completed according to the schedule below. A summary of review, revision, and implementation status shall be submitted for acceptance by the Executive Officer and reported in the Permittees' Annual Reports, beginning with the Annual Report due September 15, 2005.~~

~~1.—No later than August 15, 2003: The Permittees shall submit a detailed workplan and schedule for completion of the review of standards and guidelines, any proposed revisions thereto and any implementation of revised standards and guidance;~~

~~2.—No later than November 15, 2004: The Permittees shall submit a draft review and analysis of local standards and guidance, opportunities for revision, and any proposed revised standards and guidance; and,~~

~~3.—No later than November 15, 2005: The Permittees shall incorporate any revised standards and guidance into their local approval processes and shall fully implement the revised standards and guidance.~~

~~k.—~~ **Source Control Measures Guidance Development**

~~The Permittees shall, as part of their improvement process, submit enhanced new development and significant redevelopment Performance Standards, which summarize source control requirements for such projects to limit pollutant generation, discharge, and runoff, to the maximum extent practicable. Examples of source control measures may include the following, which are offered as examples:~~

~~i.—Indoor mat/equipment wash racks for restaurants, or covered outdoor wash racks plumbed to the sanitary sewer;~~

~~ii.—Covered trash and food compactor enclosures with a sanitary sewer connection for dumpster drips and designed such that run-on to trash enclosure areas is avoided;~~

~~iii.—Sanitary sewer drains for swimming pools;~~

~~iv.—Sanitary drained outdoor covered wash areas for vehicles, equipment, and accessories;~~

~~v.—Sanitary sewer drain connections to take fire sprinkler test water;~~

~~vi.—Storm drain system stenciling;~~

~~vii.—Landscaping that minimizes irrigation and runoff, promotes surface infiltration where appropriate, minimizes the use of pesticides and fertilizers, and where feasible removes pollutants from stormwater runoff; and,~~

~~viii.—Appropriate covers, drains, and storage precautions for outdoor material storage areas, loading docks, repair/maintenance bays, and fueling areas.~~

~~A model enhanced new development and significant redevelopment source control Performance Standard and proposed workplan for its implementation shall be submitted by August 15, 2004. Implementation shall begin no later than February 15, 2005, and the status shall thereafter be reported in the Permittees' Annual Reports beginning with the Annual Report due September 15, 2005, which shall also provide appropriate detail on projects reflecting the application of the enhanced Performance Standards consistent with Provision C.3.b, above.~~

~~l.—~~ **Update General Plans**

~~At the next scheduled update/revision of its General Plan, each Permittee shall confirm that it has incorporated water quality and watershed protection principles and policies into its General Plan or equivalent plan, to the extent necessary, to require implementation of the~~

measures required by Provision C.3 for applicable development projects. These principles and policies shall be designed to protect natural water bodies, reduce impervious land coverage, slow runoff, and where feasible, maximize opportunities for infiltration of rainwater into soil. Such water quality and watershed protection principles and policies may include the following, which are offered as examples:

- i. Minimize the amount of impervious surfaces and directly connected impervious surfaces in areas of new development and redevelopment and where feasible maximize on-site infiltration of runoff;
- ii. Implement pollution prevention methods supplemented by pollutant source controls and treatment. Use small collection strategies located at, or as close as possible to, the source (i.e., the point where water initially meets the ground) to minimize the transport of urban runoff and pollutants offsite and into a municipal separate storm sewer system;
- iii. Preserve, and where possible, create or restore areas that provide important water quality benefits, such as riparian corridors, wetlands, and buffer zones. Encourage land acquisition and/or conservation easement acquisition of such areas;
- iv. Limit disturbances of natural water bodies and natural drainage systems caused by development including roads, highways, and bridges;
- v. Prior to making land use decisions, utilize methods available to estimate increases in pollutant loads and flows resulting from projected future development. Require incorporation of structural and non-structural treatment measures to mitigate the projected increases in pollutant loads and flows;
- vi. Avoid development of areas that are particularly susceptible to erosion and sediment loss; or establish development guidance that identifies these areas and protects them from erosion and sediment loss; and,
- vii. Reduce pollutants associated with vehicles and increased traffic resulting from development.

If amendments of General Plans are determined to be legally necessary to allow for implementation of any aspect of Provision C.3, such amendments shall occur by the implementation date of the corresponding component of the Provision. If legally necessary General Plan amendments cannot occur by the implementation date because of CEQA requirements or other constraints imposed by the laws applicable to amending General Plans, the Permittee shall report this to the Executive Officer as soon as possible, and no later than in the Annual Report due more than six (6) months in advance of the implementation date. Should changes to implementation dates to enable a Permittee to comply with CEQA and General Plan legal requirements be necessary, the Permittee shall recommend a new implementation date for approval by the Regional Board.

**m. ~~Water Quality Review Processes~~**

When Permittees conduct environmental review of projects in their jurisdictions, the Permittees shall evaluate water quality effects and identify appropriate mitigation measures. This requirement shall be implemented by May 15, 2004. Questions that evaluate increased pollutants and flows from the proposed project include the following, which are offered as examples:

- i. Would the proposed project result in an increase in pollutant discharges to receiving waters? Consider water quality parameters such as temperature, dissolved oxygen, turbidity and other typical stormwater pollutants (e.g., heavy metals, pathogens, petroleum derivatives, synthetic organics, sediment, nutrients, oxygen-demanding substances, and trash).

- ii. ~~Would the proposed project result in significant alteration of receiving water quality during or following construction?~~
- iii. ~~Would the proposed project result in increased impervious surfaces and associated increased runoff?~~
- iv. ~~Would the proposed project create a significant adverse environmental impact to drainage patterns due to changes in runoff flow rates or volumes?~~
- v. ~~Would the proposed project result in increased erosion in its watershed?~~
- vi. ~~Is the project tributary to an already impaired water body, as listed on the CWA Section 303(d)? If so, will it result in an increase in any pollutant for which the water body is already impaired?~~
- vii. ~~Would the proposed project have a potentially significant environmental impact on surface water quality, to marine, fresh, or wetland waters?~~
- viii. ~~Would the proposed project have a potentially significant adverse impact on groundwater quality?~~
- ix. ~~Will the proposed project cause or contribute to an exceedance of applicable surface or groundwater receiving water quality objectives or degradation of beneficial uses?~~
- x. ~~Will the project impact aquatic, wetland, or riparian habitat?~~

**~~n. Reporting, including Pesticide Reduction Measures~~**

~~The Permittees shall demonstrate compliance with the requirements of Provision C.3 by providing in their Annual Reports the information described in Table 1, beginning with the dates shown in Table 1 and continuing thereafter. In addition, the following information shall be collected for Annual Report submittal, beginning upon the date of adoption of this Order.~~

- i. ~~For all new development and significant redevelopment projects which meet the Group 1 or Group 2 definitions in Provision C.3.c, collect and report the name or other identifier, type of project (using the categories in Provision C.3.c), site acreage or square footage, and square footage of new impervious surface.~~
- ii. ~~For projects that must implement treatment measures, report which treatment measures were used and numeric sizing criteria employed, the O&M responsibility mechanism including responsible party, site design measures used, and source control measures required. This information shall also be reported to the appropriate local vector control district, with additional information of access provisions for vector control district staff. This reporting shall begin in the Annual Report following the implementation date specified in Provision C.3.c.~~
- iii. ~~A summary of the types of pesticide reduction measures required for those new development and significant redevelopment projects to be addressed under Provision C.3.c, and the percentage of such new development and significant redevelopment projects for which pesticide reduction measures were included. These measures are required under Provision C.10.c, and relate directly to Provision C.3 requirements.~~

~~The Permittees may utilize their Annual Reports to highlight their budget constraints and suggest reprioritization of any Program activities in order to achieve the most cost effective overall Program.~~

**~~o. Implementation Schedule~~**

~~The Permittees shall implement the requirements of Provisions C.3.b through C.3.n according to the schedule in Table 2.~~

**~~4. Public Information and Participation Performance Standards~~**

The Program shall develop a specific workplan with the Permittees based on Section 3. Task 5 of the PIP component of the Management Plan to evaluate the effectiveness of the PIP component and report on this on-going evaluation starting September 2004 for the 2003-2004 Annual Report, and annually thereafter. Effectiveness may be measured through direct or indirect means, such as observation of behavior; surveys; and/or analysis of available data on public involvement in or in response to PIP activities.

#### **5. Performance Standards for Municipal Maintenance**

The Program shall implement municipal maintenance performance standards as set forth in the Management Plan.

#### **6. Performance Standard for Rural Public Works Maintenance and Support**

For the purpose of this provision, rural means any watershed or portion thereof that remains undeveloped or with primarily agricultural, grazing or open space uses, and drains to unchannelized streams. The Program shall develop, within one year after the adoption of this Order, Performance Standards, appropriate training and technical assistance requirements, and annual reporting requirements for the following rural public works maintenance and support activities: a) management and/or removal of large woody debris and live vegetation from stream channels; b) streambank stabilization projects; and, c) road construction, maintenance, and repairs in rural areas to prevent and control road-related erosion. In addition, Permittees shall develop: d) education and guidance on permitting requirements for rural public works activities so as to stress the importance of proper planning and construction.

#### **7. Annual Reports and Workplans**

##### **a. Annual Reports**

The Permittees shall submit an Annual Report to the Regional Board by September 15 of each year, documenting the status of the Program's and the Permittees' activities during the previous fiscal year, including the results of a qualitative assessment of activities implemented by the Permittees, and the performance of tasks contained in the Management Plan.

The Annual Report shall include a compilation of deliverables and milestones completed during the previous twelve-month period, as described in the Management Plan. In either the Annual Reports or the Workplans, the Permittees shall propose pertinent updates, improvements, or revisions to the Management Plan, which shall be complied with under this Order unless disapproved by the Executive Officer or acted upon in accordance with Provision C.12. As part of the Annual Report process, each Permittee shall evaluate the effectiveness of the activities completed during the reporting period.

Direct and indirect measures of effectiveness may include, but are not limited to, conformance with established Performance Standards, quantitative monitoring to assess the effectiveness of control measures, measurements or estimates of pollutant load reductions, detailed accounting of Program accomplishments, funds expended, or staff hours utilized. Methods to improve effectiveness in the implementation of tasks and activities, including development of new, or modification of existing, Performance Standards, shall be identified through the Program's review and improvement process, where appropriate. The Annual Report information shall be adequate to describe each Permittee's compliance status with respect to the provisions of this Order, and the required actions under the Management Plan and the Annual Workplans.

##### **i. Enhanced Annual Reporting Requirements for Public Information and Participation**

The level of implementation of PIP activities shall be reported annually. The Program will report on the implementation of its specific workplan to evaluate effectiveness of

~~the PIP component starting in September 2004 for the 2003-2004 Annual Report, and annually thereafter. This evaluation will be included in the General Program deliverables for General Program activities and in the deliverables by Permittees for activities that were conducted by individual Permittees.~~

~~ii.—**Enhanced Annual Reporting Requirements for Illicit Discharge Controls**~~

~~The goal of the Illicit Discharge Controls component is to identify and eliminate non-permissible non-stormwater discharges associated with illegal dumping or illicit connections to the storm drain system.~~

~~Enhanced annual reporting for this Program component shall, at a minimum, include:~~

- ~~1. Training and coordination of staff most likely to encounter illicit discharges; and~~
- ~~2. Identification and follow-up for all illicit discharges and problem areas identified within each Permittee's jurisdiction, including number of responses to reports of potential impacts to water quality, complaints, spills, and other similar reports. These should be, at a minimum, characterized as to report source, nature of the report, location of the event, reported source of pollutants, and follow-up and investigation, if any. For any actual non-compliance or threatened non-compliance noted during the investigation of the report, the nature of follow-up will be reported, through resolution of the noted issue, up to and including enforcement action.~~

~~iii.—**Enhanced Annual Reporting Requirements for Industrial and Commercial Discharge Controls**~~

~~The goal of the Industrial and Commercial Discharge Controls component is to reduce or eliminate adverse water quality impacts from activities conducted at any industrial and commercial site within the Permittees' jurisdictions that have a potential for significant urban runoff pollution. Performance measures for this Program component are in the Management Plan.~~

~~Frequency of inspection of a given site or category of industry or commercial business with a potential to impact stormwater may vary depending upon known or anticipated threats to water quality, but should not be less frequent than once in five (5) years. Inspection frequency can be reduced for sites that demonstrate a history of compliance or exhibit little threat to water quality, and increased for sites that demonstrate non-compliance, or exhibit significant threat to water quality.~~

~~Permittees shall report a summary of inspection activity for any non-compliance noted during an inspection, the nature of follow-up through resolution of the noted issue, up to and including enforcement action.~~

~~b.—**Annual Workplans and Updates**~~

~~By 100 days from the adoption of this order and on March 1<sup>st</sup> of each year thereafter, the Permittees shall submit draft Workplans and Updates that describe the proposed implementation of the Management Plan for the next fiscal year in areas described below.~~

~~The Workplans and Updates shall consider the status of implementation of current year activities and actions of the Permittees, problems encountered, and proposed solutions, and shall address any comments received from the Executive Officer on the previous year's Annual Report. The Workplans and Updates shall include clearly defined tasks, responsibilities, and schedules for implementation of Program and Permittee actions for the next fiscal year.~~

~~The Workplans and Updates shall be deemed to be final and incorporated into the Management Plan and this Order as of June 1 unless previously determined to be unacceptable by the Executive Officer. The Permittees shall address any comments or conditions of acceptability received from the Executive Officer on their draft Workplans and Updates prior to the submission of their Annual Report on September 15, at which time the modified Workplans and Updates shall be deemed to be incorporated into the Management Plan and this Order unless disapproved of by the Executive Officer.~~

~~i.— **Performance Standards and Monitoring Plan Updates**~~

~~Any proposal for development of new, or modification of existing, Performance Standards in accordance with Provision C.2.b, as well as alternative monitoring activities as required in Provision C.8, shall be reported in the workplans.~~

~~ii.— **Public Information and Participation**~~

~~By 100 days from the adoption of this order, the Program shall submit a specific workplan to evaluate the effectiveness of the PIP component.~~

~~iii.— **Industrial and Commercial Discharge Controls Program**~~

~~Each Permittee, except the Alameda County Flood Control and Water Conservation District and Zone 7 of the Alameda County Flood Control District, shall submit an annual update to its five-year Industrial and Commercial Business Inspection Plan (Inspection Plan) with the following information:~~

- ~~1.— Estimated number of facilities to be inspected listed by type of business or geographical sector as outlined in the Inspection Plan; and,~~
- ~~2.— Estimated number of high priority facilities to be inspected on a yearly basis based on priorities described in Inspection Plan.~~

~~The range of industrial and commercial businesses that will require regular inspection is not limited to those industrial sites that are required to obtain coverage under the State Board's Industrial Stormwater NPDES General Permit.~~

~~c.— **One-time Reports and Five-Year Inspection and Illicit Discharge Control Action Plans**~~

~~In addition to Annual Reports and Annual Updates, the Permittees shall provide the following information by 100 days of adoption of this order:~~

~~i.— **Illicit Discharge Controls**~~

~~Each Permittee will develop a five-year Illicit Discharge Control Action Plan to reduce, control and/or otherwise address sources of discharge. Performance measures for this program area are in the Management Plan.~~

~~Permittees shall describe the specific procedures they use to follow up on non-compliance.~~

~~Permittees shall identify an alternate publicized number to report illicit discharges in addition to 911.~~

~~Proposed changes to the five-year Illicit Discharge Control Action Plan shall be submitted annually through subsequent workplans.~~

~~ii.— **Industrial and Commercial Discharge Controls Program**~~

~~Each Permittee, except the Alameda County Flood Control and Water Conservation District and Zone 7 of the Alameda County Flood Control District, shall submit a five-~~



year Industrial and Commercial Business Inspection Plan (Inspection Plan) containing the following information:

1. Estimate of total number of Industrial and Commercial sites requiring inspection, within each Permittee's jurisdiction, for the five-year period;
2. A list of types of business within the Permittee's jurisdiction with an estimate of the number of businesses in each category;
3. A description of the process for prioritizing inspections and rationale for inspecting a business or business type more frequently or before another business or business type. Each Permittee will explain criteria used for designating a business as high priority. If any geographical areas are to be targeted for yearly inspections because of their high potential for stormwater pollution, these areas should be indicated in the Inspection Plan, with optional maps indicating priority zoning, if any, in each Permittees' jurisdiction;
4. A description of Permittee's procedures for follow up inspections, enforcement actions or referral to another agency, including appropriate time periods of action; and,
5. An Annual Update detailing inspection activities for the next fiscal year shall be due by March 1 of the year following the submission of each Annual Report. The Annual Update shall be subject to the due dates and Executive Officer approvals stated in Provision C.7.b and reporting requirements further listed in Provision C.7.b.iii.

Each Permittee shall also submit a description of a data management system that the Permittee maintains to track changes in industrial and commercial sites, as well as inspection and enforcement activity of these sites.

#### **8. Monitoring Program**

- a. The Permittees shall implement a Monitoring Program that supports the development and implementation and demonstrates the effectiveness of the Management Plan and related work conducted by the Program among other goals. The Monitoring Program shall be a multi-year receiving waters monitoring plan designed to achieve the following objectives:
  - Characterization of representative drainage areas and stormwater discharges, including land-use characteristics pollutant concentrations and mass loadings;
  - Assessment of existing or potential adverse impacts on beneficial uses caused by pollutants of concern in stormwater discharges, including an evaluation of representative receiving waters;
  - Identification of potential sources of pollutants of concern found in stormwater discharges; and,
  - Evaluation of effectiveness of representative stormwater pollution prevention or control measures.

The Monitoring Program shall include the following:

- i. Provision for conducting and reporting the results of special studies conducted by the Permittees which are designed to determine effectiveness of BMPs or control measures, define a Performance Standard or assess the adverse impacts of a pollutant or pollutants on beneficial uses.
- ii. Provisions for conducting watershed monitoring activities including: identification of major sources of pollutants of concern; evaluation of the effectiveness of control measures and BMPs; and use of physical, chemical and biological parameters and indicators as appropriate.

iii. Identification and justification of representative sampling locations, frequencies and methods, suite of pollutants to be analyzed, analytical methods, and quality assurance procedures. Alternative monitoring methods in place of these (special projects, financial participation in regional, state, or national special projects or research, literature review, visual observations, use of indicator parameters, recognition and reliance on special studies conducted by other programs, etc.) may be proposed with justification.

b. **Multi-Year Monitoring and Assessment Plan.** In conjunction with the submissions required by Provision C.10, the Permittees shall submit, by 100 days of adoption of this order, a multi-year monitoring plan, acceptable to the Executive Officer, designed to comply with these Monitoring Program requirements. The monitoring and assessment plan shall include provisions for monitoring Central and South/Lower San Francisco Bay by participating in the San Francisco Estuary Regional Monitoring Program for Trace Substances or an acceptable alternative monitoring program.

c. **Annual Monitoring Program Plan.** The Permittees shall submit, by 100 days from the adoption of this order and on March 1<sup>st</sup> of each year thereafter, an annual monitoring program plan, acceptable to the Executive Officer, that includes clearly defined tasks, responsibilities, and schedules for implementation of monitoring activities for the next fiscal year designed to comply with these Monitoring Program requirements.

## 9. **Non-Stormwater Discharges**

### a. **Exempted Discharges**

In carrying out Prohibition A of this Order, the following non-stormwater discharges are not prohibited unless they are identified by the Permittees or the Executive Officer as sources of pollutants to receiving waters:

- i. Flows from riparian habitats or wetlands;
- ii. Diverted stream flows;
- iii. Springs;
- iv. Rising ground waters; and
- v. Uncontaminated groundwater infiltration.

If any of the above categories of discharges, or sources of such discharges, are identified as sources of pollutants to receiving waters, then such categories or sources shall be addressed as conditionally exempted discharges in accordance with Provision C.9.b.

### b. **Conditionally Exempted Discharges**

The Program has developed control measures to eliminate adverse impacts of certain conditionally exempted discharges as listed in the Findings (uncontaminated pumped groundwater, foundation drains, water from crawl spaces pumps, footing drains and planned and unplanned discharges from potable water sources, and water line and hydrant flushing). The following non-stormwater discharges are not prohibited if they are identified by either the Permittees (and incorporated into the Management Plan) or the Executive Officer as not being sources of pollutants to receiving waters or if appropriate control measures to prevent or eliminate adverse impacts of such sources are developed and implemented under the Management Plan in accordance with Provision C.9.c:

- i. Uncontaminated pumped groundwater;
- ii. Foundation drains;
- iii. Water from crawl space pumps;
- iv. Footing drains;

- v. ~~Air conditioning condensate;~~
- vi. ~~Irrigation water;~~
- vii. ~~Landscape irrigation;~~
- viii. ~~Lawn or garden watering;~~
- ix. ~~Planned and unplanned discharges from potable water sources;~~
- x. ~~Water line and hydrant flushing;~~
- xi. ~~Individual residential car washing; and~~
- xii. ~~Discharges or flows from emergency fire fighting activities;~~

~~The Permittees shall identify and describe the categories of discharges listed in Provision C.9.b that they wish to exempt from Prohibition A in periodic submissions to the Executive Officer. For each such category, the Permittees shall identify and describe as necessary and appropriate to the category either documentation that the discharges are not sources of pollutants to receiving waters or circumstances in which they are not found to be sources of pollutants to receiving waters. Otherwise, the Permittees shall describe control measures to eliminate adverse impacts of such sources, procedures and Performance Standards for their implementation, procedures for notifying the Regional Board of these discharges, and procedures for monitoring and record management. Permittees shall resubmit appropriate revised and/or additional control measures whenever there is a change in the quality of the discharge. For example, the use of recycled water for irrigation shall lead to the implementation of additional control measures in order to reduce chlorine levels before releasing the discharge to the storm drain system. Such submissions shall be deemed to be incorporated into the Management Plan unless disapproved by the Executive Officer or acted on in accordance with Provision C.12 and the NPDES permit regulations.~~

~~c. **Permit Authorization for Exempted Discharges**~~

- i. ~~Discharges of non-stormwater from sources owned or operated by the Permittees are authorized and permitted by this Order, if they are in accordance with the conditions of this Provision and the Management Plan.~~
- ii. ~~The Regional Board may require dischargers of non-stormwater other than the Permittees to apply for and obtain coverage under an NPDES permit and comply with the control measures developed by the Permittees pursuant to this Provision. Non-stormwater discharges that are in compliance with such control measures may be accepted by the Permittees and are not subject to Prohibition A.~~
- iii. ~~The Permittees may propose, as part of their annual updates to the Management Plan under Provision C.7 of this Order, additional categories of non-stormwater discharges to be included in the exemption to Prohibition A. Such proposals are subject to approval by the Regional Board in accordance with the NPDES permit regulations.~~

~~10. **Water Quality-Based Requirements for Specific Pollutants of Concern**~~

~~In accordance with Provision C.1 and Finding 22 of this Order, the Permittees shall implement control programs for pollutants that have the reasonable potential to cause or contribute to exceedances of water quality standards. These control programs shall include the following:~~

~~a. **Control Program for Copper**~~

~~The Permittees have submitted a Copper Pollutant Reduction Plan (PRP) that includes a general strategy to monitor the concentration of copper in stormwater runoff and lists BMPs that may be used to reduce copper discharges. The program will further refine the Copper PRP by providing detailed descriptions of activities in each fiscal year. The refined PRP~~

shall be included in the Program's submittal of the Annual Workplan by 100 days of adoption of this Order, and evaluations and results shall be reported in the Annual Reports.

**b. Control Program for Mercury**

The Mercury Pollutant Reduction Plan (Mercury Plan) shall be refined to include all of the following:

- i. Development and adoption of policies, procedures, and/or ordinances calling for:
  - The reduction of mercury from controllable sources in urban runoff to the maximum extent practicable, including the identification of mercury-containing products used by the Permittees and a schedule for their timely phase-out where appropriate; and
  - Coordination with solid waste management agencies to ensure maximum recycling of fluorescent lights and/or establishment of "take back" programs for the public collection of mercury-containing household products (potentially including thermometers and other gauges, batteries, fluorescent and other lamps, switches, relays, sensors and thermostats);
- ii. A schedule for assisting the Regional Board staff in conducting an assessment of the contribution of air pollution sources to mercury in the Permittees' urban runoff (potentially including an identification of significant mercury air emission sources, an inventory of relevant mercury air emissions and a review of options for reducing or eliminating mercury air emissions);
- iii. Assessment of the sediment mercury concentrations and percentage of fine material at the base of key watersheds, above the tide line;
- iv. A public education, outreach and participation program designed to reach residential, commercial and industrial users or sources of mercury-containing products or emissions; and,
- v. Participation with other organizations to encourage the electric light bulb manufacturing industry to reduce mercury associated with the disposal of fluorescent lights through product reformulation.

The Mercury Plan shall be refined and incorporated in the Program's submittal of the Annual Workplan by 100 days of adoption of this order. The Mercury Plan shall refine the schedule for implementation that Permittees are currently working under. To facilitate the development of the actions specified above, the Permittees may coordinate with publicly owned treatment works and other agencies to develop cooperative plans and programs.

**c. Control Program for Pesticides**

To address the impairment of urban streams by diazinon and other pesticides, the Permittees shall continue to implement and refine the previously submitted Diazinon Pollutant Reduction Plan (Pesticide Plan) to address their own use of pesticides including diazinon, other lower priority pesticides no longer in use such as chlordane, dieldrin and DDT, and the use of such pesticides by other sources within their jurisdictions. The Permittees may coordinate with agencies and organizations such as the Bay Area Stormwater Management Agencies Association or the Urban Pesticide Committee. The Pesticide Plan shall include a schedule for implementation and a mechanism for reviewing and amending the plan, as necessary, in subsequent years. The refined Pesticide Plan shall be resubmitted for approval to the Executive Officer by 100 days of adoption of this order.

**i. Pesticide Use by Permittees**

The Pesticide Plan shall include a program to quantitatively identify each Permittee's pesticide use by preparing a periodically updated inventory of pesticides used by all

internal departments, divisions, and other operational units as applicable to each Permittee. Schools and special district operations shall be included in the Pesticide Plan to the full extent of each Permittee's authority. The Permittees shall adopt and verifiably implement policies, procedures, and/or ordinances requiring the minimization of pesticide use and the use of integrated pest management (IPM) techniques in the Permittees' operations if they have not already done so. The policies, procedures, and/or ordinances shall include: 1) commitments to reduce use, phase-out, and ultimately eliminate use of pesticides that cause impairment of surface waters, and 2) commitments to not increase the Permittees' use of organophosphate pesticides without justifying the necessity and minimizing adverse water quality impacts. The Permittees shall implement training programs for their employees who use pesticides, including pesticides available over the counter. These programs shall address pesticide-related surface water toxicity, proper use and disposal of such pesticides, and least toxic methods of pest prevention and control, including IPM. The Pesticide Plan shall be subject to updating via the Permittees' improvement process.

#### ii. ~~Other Pesticide Sources~~

To address other pesticide users within the Permittees' jurisdictions (including schools and special district operations that are not owned or operated by the Permittees), the Pesticide Plan shall include the following elements:

1. ~~Public education and outreach programs. Such programs shall be designed for residential and commercial pesticide users and pest control operators. These programs shall provide targeted information concerning proper pesticide use and disposal, potential adverse impacts on water quality, and alternative, least toxic methods of pest prevention and control, including IPM. These programs shall also target pesticide retailers to encourage the sale of least toxic alternatives and to facilitate point-of-sale public outreach efforts. These programs may also recognize local least toxic pest management practitioners.~~
2. ~~Mechanisms to discourage pesticide use at new development sites. Such mechanisms shall encourage the consideration of pest resistant landscaping and design features, minimization of impervious surfaces, and incorporation of stormwater detention and retention techniques in the design, landscaping, and/or environmental reviews of proposed development projects. Education programs shall target individuals responsible for these reviews and focus on factors affecting water quality impairment.~~
3. ~~Coordination with household hazardous waste collection agencies. The Permittees shall support, enhance, and help publicize programs for proper pesticide disposal.~~

#### iii. ~~Other Pesticide Activities~~

The Permittees shall work with municipal stormwater management agencies in the Bay Area and other parties with interest in or responsibilities for reducing pesticide-related toxicity in surface water (for example, with the Urban Pesticide Committee) to assess which pesticide products, uses and past uses pose the greatest risks to surface water quality. Along with incorporating this information into the programs described above, the Permittees shall encourage US EPA, the California Department of Pesticide Regulation (DPR), and pesticide manufacturers to understand the adverse impacts of pesticides on urban creeks, monitor US EPA and DPR activities related to the registration of diazinon products and uses, and actively encourage US EPA, DPR, and pesticide manufacturers to eliminate, reformulate, or otherwise curtail, to the extent possible, the sale and use of pesticides that pose substantial risks to surface water quality (e.g., when there is a high potential for runoff).

The Program shall also work with the Regional Board and other agencies in developing a TMDL for diazinon in impaired urban creeks. The Program will participate in stakeholder forums and collaborative technical studies necessary to assist the Regional Board in completing the TMDL. These studies may include, but shall not be limited to, additional diazinon monitoring and toxicity testing.

**d. Control Program for Polychlorinated Biphenyls (PCBs) and Dioxin Compounds**

The Permittees shall work with other municipal stormwater management agencies in the Bay Area to implement a plan to identify, assess, and manage controllable sources of PCBs and dioxin-like compounds found in urban runoff (PCBs/Dioxin Plan). The PCBs/Dioxin Plan shall include actions to:

- i. Characterize the representative distribution of PCBs and dioxin-like compounds in the urban areas of Alameda County to determine: a) what concentrations and what types of PCBs and dioxin-like compounds are present in urban runoff, b) how such PCBs or dioxin-like compounds are distributed in urban areas, and c) whether storm drains or other surface drainage pathways are sources of PCBs or dioxin-like compounds in themselves, or whether there are specific locations within urban watersheds where prior or current uses result in land sources contributing to discharges of PCBs or dioxin-like compounds to San Francisco Bay via urban runoff conveyance systems;
- ii. Provide information to allow calculation of PCBs and dioxin-like compound loads to San Francisco Bay from urban runoff conveyance systems;
- iii. Identify control measures and/or management practices to eliminate or reduce discharges of PCBs or dioxin-like compounds conveyed by urban runoff conveyance systems in Alameda County;
- iv. Implement actions to eliminate or reduce discharges of PCBs or dioxin-like compounds from urban runoff conveyance systems from controllable sources (if any); and,
- v. Develop a long-term management plan for eliminating and reducing PCB discharges.
- vi. Action Plan: The PCBs/Dioxin Plan shall describe specific steps to be taken by the Permittees for implementing any emission reduction strategies to the MEP standard. The Plan shall note the specific actions to be taken, identify the agency(ies) responsible for implementation, and include a timeline for the completion of each action item. The portion of the PCB/Dioxin Plan addressing action areas d.i and d.ii shall be implemented forthwith for PCBs. The workplan that was submitted for PCBs addressing action areas d.i, d.ii, and d.iii, including a schedule for implementation, shall be refined and submitted, acceptable to the Executive Officer, by June 1, 2003. A workplan addressing areas d.i and d.ii for dioxin-like compounds shall be submitted, acceptable to the Executive Officer, by March 1, 2004. The portion of the PCB/Dioxin Plan addressing action area d.iv, including a schedule for implementation, shall be submitted, acceptable to the Executive Officer, within one year after adoption of this Order for PCBs and within eighteen months after adoption of this Order for dioxin-like compounds; implementation shall begin no later than one year and six (6) months after adoption of this Order for PCBs and two (2) years after adoption of this Order for dioxin-like compounds, although implementation of early action priorities should take place before that date. The Permittees may coordinate with other stormwater programs and/or other organizations to implement cooperative plans and programs to facilitate implementation of the specified actions.

**e. Control Program for Sediment**

The Permittees shall conduct an analysis of excess sediment impairment in urban streams and assess management practices that are currently being implemented and additional management practices that will be implemented to prevent or reduce excess sediment

impairment in urban creeks, and implement any additional management practices necessary to prevent or reduce excess sediment impairment in urban creeks.

#### 11. ~~Watershed Management~~

The Permittees shall implement watershed management measures based on identification of relevant watershed characteristics (land imperviousness, conditions of creeks, land uses, etc.) and identification of control measures and other actions in the Management Plan that are appropriately implemented on a watershed basis with the recognition that there may be unique values, problems, goals, and strategies specific to individual watersheds. Watershed management measures also seek to develop and implement the most cost effective approaches to solving identified problems and to coordinate these activities with other related programs.

- a. ~~The Permittees shall submit to the Regional Board, within a year after adoption of this Order, a report concerning the integration of watershed management activities into the Management Plan. The Program may submit this report on behalf of the Permittees. The report shall, at a minimum:~~
  - i. ~~Identify the watersheds that are relevant to each Permittee;~~
  - ii. ~~Identify key characteristics related to urban runoff in each watershed and program elements related to such characteristics;~~
  - iii. ~~Provide a priority listing of watersheds to be assessed and a schedule for conducting such assessments, including: 1) investigating beneficial uses and causes of impairment, 2) reviewing, compiling, and disseminating environmental data, and 3) developing and implementing strategies for controlling adverse impacts of land use on beneficial uses;~~
  - iv. ~~Assess each Permittee's implementation of watershed management activities; and,~~
  - v. ~~Outline steps needed for improvement in addressing priorities within each watershed.~~
- b. ~~The Program should also work with Regional Board staff to apply a regulatory strategy that allows the Permittees to find ways to coordinate with other agencies within a specific watershed to protect beneficial uses.~~

#### 12. ~~Modifications to the Management Plan~~

It is anticipated that the Management Plan may need to be modified, revised, or amended from time to time to respond to changed conditions and to incorporate more effective approaches to pollutant control. Requests for changes may be initiated by the Executive Officer or by the Permittees. Minor changes may be made with the Executive Officer's approval and will be brought to the Regional Board as information items and the Permittees and interested parties will be notified accordingly. If proposed changes imply a major revision of the Program, the Executive Officer shall bring such changes before the Regional Board as permit amendments and notify the Permittees and interested parties accordingly.

#### 13. ~~Modifications to this Order~~

This Order may be modified, or alternatively, revoked or reissued, prior to the expiration date as follows:

- a. ~~To address significant changed conditions identified in the technical reports required by the Regional Board that were unknown at the time of the issuance of this Order;~~
- b. ~~To incorporate applicable requirements of statewide water quality control plans adopted by the State Board or amendments to the Basin Plan approved by the State Board; or~~
- c. ~~To comply with any applicable requirements, guidelines, or regulations issued or approved under Section 402(p) of the CWA, if the requirement, guideline, or regulation so issued or approved contains different conditions or additional requirements not provided for in this~~

~~Order. The Order as modified or reissued under this paragraph shall also contain any other requirements of the CWA then applicable.~~

~~14. Each of the Permittees shall comply with all parts of the Standard Provisions contained in Appendix A of this Order.~~

~~15. This Order expires on February 19, 2008, five (5) years from the date of adoption of this Order by the Regional Board. The Permittees must file a Report of Waste Discharge in accordance with Title 23, California Code of Regulations, not later than 180 days in advance of such date as application for reissuance of waste discharge requirements.~~

~~16. Order Nos. 97-030 and 99-049 are hereby rescinded.~~

~~I, Loretta K. Barsamian, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on February 19, 2003.~~

~~\_\_\_\_\_  
Loretta K. Barsamian  
Executive Officer~~

~~APPENDIX A—STANDARD PROVISIONS~~

~~APPENDIX B—PROVISION C.3 REQUIREMENTS:~~

~~Table 1. Summary of Annual and One-Time Reporting Requirements~~

~~Table 2. Implementation Schedule~~

~~ATTACHMENT A—Alameda Countywide Clean Water Program Stormwater Quality Management Plan—Title Page and Table of Contents~~

~~ATTACHMENT B—Watershed Assessment and Monitoring Strategy for Fiscal Years 2002-2008~~

~~ATTACHMENT C—Municipalities and Major Open Creeks and Waterbodies in Alameda County~~

~~Footnotes:~~

~~—(8)—~~

~~**Note**—Retail Gasoline Outlets: New Development Design Standards for Mitigation of Stormwater Impacts—California Water Quality Control Board, Los Angeles Region, and California Water Quality Control Board, San Diego Region, Technical Report, prepared by Radulescu, Swamikannu, and Hammer, 2004.~~

~~—(9)—~~

~~**Note**—A discussion of imperviousness based on type of development and time of construction is provided in Heaney, J.B., Pitt, R., and Field, R. Innovative Urban Wet Weather Flow Management Systems, 1999. USEPA Doc. No. EPA/600/R-99/029 (Chapter 2).~~





# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** PH 23-017

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Valley Street East of 4<sup>th</sup> Street to C Street: Adopt a Resolution Vacating Right-of-Way of Valley Street East of 4<sup>th</sup> Street to C Street Pursuant to the Provisions of California Streets and Highways Code Sections 8320 et. seq.

**RECOMMENDATION**

That Council conducts a public hearing, considers comments received before or at the hearing, and adopts a resolution (Attachment II) making findings and vacating the right-of-way of Valley Street east of 4<sup>th</sup> Street to C Street, pursuant to the provisions of California Streets and Highways Code Sections 8320 et seq.

**SUMMARY**

The Valley Street right-of-way east of 4<sup>th</sup> Street to C Street is less than 117 feet long and 3,500 square feet in area. This portion of the Valley Street right-of-way has not been used for vehicular travel for an extended period (more than 15 years). Vehicular and pedestrian travel along Valley Street has been rerouted to 4<sup>th</sup> Street and C Street to improve traffic safety. This traffic diversion is consistent with the City's General Plan. Approximately 12.5 feet of the street right-of-way to be vacated, at its most north-easterly triangular tip fronts the lot at 1421 C Street and has been used for access to the driveway to the lot. This property (less than 100 square feet) will be offered to the owner of the lot at 1421 C Street by staff with the condition that it be merged with the existing lot for single family residential and RS zoning, consistent with the lot's current land use and zoning designation.

Except for a small area fronting the lot at 1421 C Street, the right-of-way proposed to be vacated is neither necessary for access to any fronting property, nor useful for street purposes or as a non-motorized transportation facility. Engineering Division staff's recent inquiries have indicated that no public utility is located within the portion of the Valley Street right-of-way to be vacated except for a street drain inlet and a short length drainpipe. This drainage system will need to be relocated after the street right-of-way is vacated and the property is quit-claimed by the City for merger with adjoining parcel for single family residential land use in a RS Zone.

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**File #:** PH 23-017

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**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Location Map



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

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Except for a small area fronting the lot at 1421 C Street, the right-of-way proposed to be vacated is neither necessary for access to any fronting property, nor useful for street purposes or as a non-motorized transportation facility. Engineering Division staff's recent inquiries have indicated that no public utility is located within the portion of the Valley Street right-of-way to be vacated except for a street drain inlet and a short length drainpipe. This drainage system will need to be relocated after the street right-of-way is vacated and the property is quit-claimed by the City for merger with adjoining parcel for single family residential land use in a RS Zone.

## **BACKGROUND**

Council may initiate a proceeding under its own initiative as per section 8320 of the California Streets and Highways Code. The notice inviting public comments before or at the time, place and date of the Council Public Hearing were posted on March 16, 2023 and March 31, 2023, published in compliance with the provisions of Sections 8322 and 8323 of the State Streets and Highways Code. The notice included a description of the public street right-of-way to be vacated and a plan showing its location.

Council may adopt a resolution vacating the street right-of-way based on the evidence offered by persons and Staff at the public hearing and after finding that the public street right-of-way described in the notice of hearing is unnecessary for present or prospective public use. The resolution of vacation includes the findings that the right-of-way vacation of Valley Street, east of 4<sup>th</sup> Street to C Street, is consistent with the City's General Plan, not used for more than 15 years and is exempt from the provisions of the Surplus Land Act. The resolution also instructs the City Clerk to file it in public records of the County Clerk of Alameda County with proper certification.

The City Clerk shall cause a certified copy of the resolution of vacation, attested by the clerk under seal, to be recorded without acknowledgement in the office of the Alameda County Recorder's Office.

## **DISCUSSION**

The City's General Plan does not prescribe any present or prospective use of the street right-of-way proposed for vacation. It is therefore not necessary to seek recommendations from the City's Planning Commission. Some entities authorized by the California Public Utilities Commission to locate their public service facilities within public street rights-of-way have reported to the City's Public Works staff that their public service facilities are not located within the limits of the street right-of-way to be vacated. Any request by a public service agency submitted to the staff before the noticed public hearing date and time for retaining a portion of the street right-of-way or an easement within the public street right-of-way to be vacated for its present or future use will be presented to the Council at the public hearing.

## **ENVIRONMENTAL REVIEW**

The proposed street right-of-way vacation is categorically exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 (Minor Alteration of Existing Facilities).

## **ECONOMIC AND FISCAL IMPACT**

The owner of the property adjacent to the public street right-of-way to be vacated is interested in acquiring property underlying the current street right-of-way at prevailing market rate. City staff will explore the possible sale of this property after the street right-of-way is vacated.

## **SUSTAINABILITY FEATURES**

After vacation of the street right-of-way, the underlying property can be offered for use consistent with the City's zoning and land use regulations.

*Prepared by:* Kathy Garcia, Deputy Director of Public Works  
Mo Sharma, Senior Civil Engineer

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

*Approved by:*



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 23-\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION VACATING THE RIGHT-OF-WAY OF VALLEY STREET EAST  
OF 4<sup>th</sup> STREET TO C STREET

WHEREAS, the right-of-way of Valley Street, between 4<sup>th</sup> Street and C Street, has not been used for street purposes for more than fifteen years after steel barriers were placed east of 4<sup>th</sup> Street and pedestrian and vehicular traffic was relocated on existing nearby streets for safety reasons; and

WHEREAS, the City's Director of Public Works has requested the City Council to vacate the portion of Valley Street right-of-way no longer used for street purposes as provided for in Section 8320 of the Streets and Highways code; and

WHEREAS, notices of public hearing were published in the Daily Review, a newspaper of general circulation in Hayward and posted on-site as per the Streets and Highways Code Sections 8322 and 8323 respectively on March 17 and March 31, 2023; and

WHEREAS, the City Council conducted a public hearing on April 11, 2023, pursuant to Section 8324 of the California Streets and Highways Code to consider vacation of a portion of street right-of-way of Valley Street no longer used for street purposes east of 4<sup>th</sup> Street to C Street, except for approximately 12.5 feet across the frontage of the lot at 1421 C Street.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward as follows:

1. City Council does hereby find that a portion of street right-of-way of Valley Street, east of 4<sup>th</sup> Street to C Street is no longer needed for street purposes east of 4<sup>th</sup> Street to C with the provision that its portions shall be offered for merger with adjoining parcels subject to their current land use and zoning; and
2. City Council does hereby determine that the vacation of Valley Street right-of-way, east of 4<sup>th</sup> Street to C Street is exempt from the provisions of the Surplus Land Act: and
3. City Council does hereby vacate a portion of street right-of-way of Valley Street, east of 4<sup>th</sup> Street to C Street with the provision that its portions shall be offered for merger with adjoining parcels subject to their current land use and zoning; and
4. Reference is hereby made to the map and description of the right-of-way vacated, attached hereto as Exhibits A, and on file in the office of the City Clerk; and

5. City Clerk is authorized and directed to cause a certified copy of this resolution to be recorded in the office of the Alameda County Recorder, and from and after the date of this resolution is recorded, the right of way vacated herein shall no longer constitute a street or highway.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_

ADOPTED BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:
	MAYOR:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

ATTACHMENT III - EXHIBIT A - VALLEY ST R.O.W VACATION







# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

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**File #:** PH 23-019

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**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Hayward Hangars Airport Hangar Project TEFRA Hearing: Tax and Equity Fiscal Responsibility Act Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance of Revenue Bonds by the Public Finance Authority in an Amount Not-to-Exceed \$5,512,000 to Finance or Refinance the Construction, Furnishing and Equipping of an Aircraft Storage Hangar Project Located at 20995 Skywest Drive, Hayward, California

**RECOMMENDATION**

That Council:

1. Conducts a public hearing to consider the issuance by the Public Finance Authority (the "Authority") of its exempt facility airport revenue bonds under Section 142(a)(1) of the Internal Revenue Code (the "Code"), in one or more tax-exempt or taxable series (the "Bonds"), to assist in the financing or refinancing of an aircraft storage hangar project located at 20995 Skywest Drive, Hayward, California (as more particularly defined below, the "Project"); and
2. Adopts a resolution (Attachment II) approving the issuance of the Bonds by the Authority for the benefit of the developer, Hayward Hangars, LLC (the "Borrower"), to provide for the financing of the Project, such adoption being necessary for the purposes of satisfying the requirements of the Code and the statute under which the Authority is created.

**SUMMARY**

The Council has been asked by the Borrower to conduct a public hearing for purposes of satisfying the applicable requirements of the Code in connection with the proposed issuance by the Authority of the Bonds. The Bonds will be used to assist in the financing of all or a portion of the costs of: (i) the construction, furnishing and equipping of an approximately 25,900 square foot aircraft storage hangar, consisting of twelve (12) box hangar units, to be located at the Hayward Executive Airport, 20995 Skywest Drive, Hayward, California (the "Airport") in the City of Hayward, California (the "City"); (ii) refinancing certain outstanding lines of credit, loans and promissory notes of the Borrower, which financed and refinanced other airport-related facilities at the Airport; and (iii) paying costs of issuance

related to the Bonds (collectively, the "Project"). The box hangar units will be designed to accommodate general aviation aircraft and aviation-related businesses.

In furtherance of the Project description above, the airport hangars are a vital part of the Airport. In addition to the hangars in the Project, there are currently 206 City-owned hangars at the Airport, most of which are T-hangars. The total also includes several City-owned 60' x 60' box hangars, along with two (2) large hangars owned by private parties that offer "footprint" leases for airplanes. All of the City-owned hangars are fully occupied. There are also 15 large hangar units (ranging from 5,000 to 12,000 square feet) that cater to owners of larger corporate jets. According to Airport management, there are currently 461 aircraft based at the Airport and 192 names on the waiting lists for City-owned hangars. The Airport benefits from its convenient location in the Bay Area, in which many affluent owners of general aviation ("GA") aircraft are based, but which suffers from a shortage of hangars and desirable airports for GA aircraft.

This project would help facilitate the construction of much needed hangars at the Hayward Airport. The City bears no responsibility for repayment of these tax exempt bonds and simply acts as a conduit to facilitate the public hearing for issuance of the bonds.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** April 11, 2023

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT:** Hayward Hangars Airport Hangar Project TEFRA Hearing: Tax and Equity Fiscal Responsibility Act Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance of Revenue Bonds by the Public Finance Authority in an Amount Not-to-Exceed \$5,512,000 to Finance or Refinance the Construction, Furnishing and Equipping of an Aircraft Storage Hangar Project Located at 20995 Skywest Drive, Hayward, California

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Hayward, California (the "Airport") in the City of Hayward, California (the "City"); (ii) refinancing certain outstanding lines of credit, loans and promissory notes of the Borrower, which financed and refinanced other airport-related facilities at the Airport; and (iii) paying costs of issuance related to the Bonds (collectively, the "Project"). The box hangar units will be designed to accommodate general aviation aircraft and aviation-related businesses.

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## **BACKGROUND**

In furtherance of the Project description above, the airport hangars are a vital part of the Airport. In addition to the hangars in the Project, there are currently 206 City-owned hangars at the Airport, most of which are T-hangars. The total also includes several City-owned 60' x 60' box hangars, along with two (2) large hangars owned by private parties that offer "footprint" leases for airplanes. All of the City-owned hangars are fully occupied. There are also 15 large hangar units (ranging from 5,000 to 12,000 square feet) that cater to owners of larger corporate jets. According to Airport management, there are currently 461 aircraft based at the Airport and 192 names on the waiting lists for City-owned hangars. The Airport benefits from its convenient location in the Bay Area, in which many affluent owners of general aviation ("GA") aircraft are based, but which suffers from a shortage of hangars and desirable airports for GA aircraft. The City is twenty-five (25) miles southeast of San Francisco, twenty-six (26) miles north of San Jose, and fourteen (14) miles south of Oakland. The Airport offers two parallel runways, the longest of which is 5,694 feet long, and is a controlled field with a localizer system. Only a very small number of GA aircraft are based at San Francisco International Airport ("SFO"), and both SFO and Oakland airports are focused primarily on commercial traffic. Although Half Moon Bay Airport has one 5,000 foot runway, it lacks a control tower, and suffers from heavy fog. Pilots of even the smallest airplanes appreciate the extra margin of safety on takeoff and landing provided by a longer runway. Other general aviation focused airports in the area have significantly shorter runways, and consequently cannot accommodate as many types of aircraft. Specifically, (i) the runways at

San Carlos and Palo Alto Airports are 2,600 and 2,500 feet long, respectively; (ii) the longer of the two runways at Reid-Hillview Airport is only 3,101 feet. In addition, Reid-Hillview Airport is scheduled to close in 2031, and a ban on the sale of leaded fuel at this airport took effect on January 1, 2022. Total operations (takeoffs and landings) at the Airport increased to 130,172 last year from 104,218 in 2020 and 115,094 in 2019

The Authority is the joint powers commission under Section 66.0304 of the Wisconsin Statutes (the "Statute") and was formed upon execution of an Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 among four Wisconsin Counties (Adams, Bayfield, Marathon, and Waupaca) and the City of Lancaster, Wisconsin (collectively, the "Members"). Pursuant to the Statute, the Authority is a unit of government and a body corporate and politic separate and distinct from, and independent of, the State of Wisconsin and the Members. The Authority was established by local governments, primarily for local governments, for the public purpose of providing local governments a means to efficiently and reliably finance projects that benefit local governments and nonprofit organizations and other eligible private borrowers in the State of Wisconsin and throughout the country.

The Authority has all of the powers necessary or convenient to any of the purposes under the Statute, including the power to issue bonds, notes or other obligations or refunding obligations to finance or refinance a project, make loans to, lease property from or to, and enter into agreements with a participant or other entity in connection with financing a project. The proceeds of bonds issued by the Authority may be used for a project in the State of Wisconsin or any other state or territory of the United States, or outside the United States if a participating borrower is incorporated and maintains its principal place of business in, the United States or its territories. The Statute defines "project" as any capital improvement, purchase of receivables, property, assets, commodities, bonds or other revenue streams or related assets, working capital program, or liability or other insurance program, located within or outside of the State of Wisconsin.

## **DISCUSSION**

The Bonds will be issued in both tax-exempt and taxable series, in an aggregate principal amount not to exceed \$5,512,000, of which the tax-exempt portion is in an amount not to exceed \$3,937,500. This transaction is structured as a private placement of securities to finance or refinance the Project. See the discussion above under Summary and Background for more information regarding the Project.

### **The City's Role in the Project**

For all or a portion of the Bonds to qualify as tax-exempt bonds, the City must conduct a TEFRA hearing that provides members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Prior to this hearing, reasonable notice must be provided to the members of the community. The Notice for this TEFRA hearing was published March 31, 2023. Following the close of the TEFRA Hearing, an

“applicable elected representative” of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds to finance the Project.

In addition, the City approval by resolution of the Bonds satisfies the requirements of the statute under which the Authority is created.

### **ECONOMIC IMPACT**

The Borrower anticipates that most of the tenants in the 12 new box hangar units will relocate to the Airport from other airports and therefore increase activity at the Airport. They are also likely to patronize retail establishments in the vicinity of the Airport.

### **FISCAL IMPACT**

The Bonds to be issued by the Authority for the Project will be the sole responsibility of the Borrower; the City will have no financial, legal, moral obligation, liability, or responsibility for the Project or the repayment of the Bonds. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the Borrower.

### **STRATEGIC ROADMAP**

While this item does not relate directly to any specific Strategic Roadmap Priority, it does serve the overall goal of the Council of enhancing economic development opportunities within the City.

### **PUBLIC CONTACT**

Public noticing requirements related to TEFRA public hearings were strictly adhered to and followed. The public hearing notice was published in the Daily Review c/o Bay Area News Group – East Bay on March 31, 2023. Notice of this hearing was also published on the City’s website in March 2023.

### **NEXT STEPS**

Staff recommends that the Council conducts the TEFRA Hearing and adopts the resolution in favor of the issuance of the Bonds by the Authority.

*Prepared by and Recommended by:* Dustin Claussen, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal flourish extending to the right.

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Kelly McAdoo, City Manager

**RESOLUTION APPROVING THE ISSUANCE OF NOT TO EXCEED \$5,512,000 OF PUBLIC FINANCE AUTHORITY INDUSTRIAL REVENUE BONDS (HAYWARD HANGARS PROJECT), SERIES 2023 FOR THE BENEFIT OF HAYWARD HANGARS, LLC**

WHEREAS, the City Council (the "City Council") of the City of Hayward, California (the "City") met in Hayward, California, at 7:00 p.m. on the 11<sup>th</sup> day of April, 2023; and

WHEREAS, Hayward Hangars, LLC, a Delaware limited liability company (the "Borrower"), has requested that the Public Finance Authority (the "Authority") issue its Industrial Revenue Bonds (Hayward Hangars Project), Series 2023, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$5,512,000 (the "Bonds"), of which the tax-exempt portion is in an amount not to exceed \$3,937,500; and

WHEREAS, the proceeds of the Bonds will be loaned to the Borrower and used by the Borrower to finance all or a portion of the costs of (i) the construction, furnishing and equipping of an approximately 25,900 square foot aircraft storage hangar, consisting of twelve (12) box hangar units, to be located at the Hayward Executive Airport, 20995 Skywest Drive, Hayward, California (the "Airport") in the City of Hayward, California (the "City"); (ii) refinancing certain outstanding lines of credit, loans and promissory notes of the Borrower, which financed and refinanced other airport-related facilities at the Airport; and (iii) paying costs of issuance related to the Bonds (collectively, the "Project"); and

WHEREAS, the Project will be initially principally used, owned, operated and/or managed by the Borrower; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that any bonds issued by the Authority for the Project may only be issued after approval of the plan of financing by the City Council following a public hearing with respect to such plan; and

WHEREAS, the statute under which the Authority is created (the "Act") requires that any bonds issued by the Authority to finance the Project may only be issued after approval of the financing of the Project by the City Council; and

WHEREAS, the City Council held a public hearing with respect to the issuance of the Bonds, the proceeds of which will be used to finance the Project; and

WHEREAS, the Borrower will agree to repay the principal, premium, if any, and interest on the Bonds and the City will have no liability whatsoever for the payment of principal of, premium, if any, or interest on the Bonds, and the Bonds will not affect the City's debt ratios or legal debt limit and the City will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Code; and



WHEREAS, because no taxes or other revenues of the City are pledged to pay the Bonds, the staff of the City has made no financial analysis of the Bonds, the Borrower or the Project; and

WHEREAS, the City Council has determined that approval of the issuance of the Bonds is solely to satisfy the requirements of Section 147(f) of the Code and the Act and shall in no event constitute an endorsement of the Bonds or the Project or the creditworthiness of the Borrower, nor shall such approval in any event be construed to obligate the City for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the City, within the meaning of any constitutional or statutory provision whatsoever;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hayward as follows:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project (Hayward Hangars Project). It is the purpose and intent of the City Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of: (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f), and (b) the Act.

Section 2. The officers of the City Council are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, certificates and other instruments which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Any actions heretofore taken by such officers are hereby ratified and approved.

Section 3. The City Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the Authority's issuance of the Bonds for the financing of the Project.

Section 4. This Resolution shall take effect from and after its passage and approval.

IN COUNCIL, HAYWARD, CALIFORNIA April 11, 2023

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
          City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward