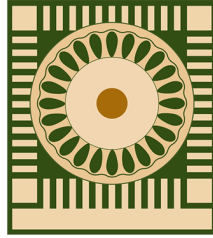


CITY OF HAYWARD

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



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Tuesday, February 1, 2022

7:00 PM

Virtual: Zoom Platform

City Council

SPECIAL JOINT CITY COUNCIL AND PLANNING COMMISSION MEETING

COVID-19 Notice: Consistent with Assembly Bill 361/Government Code section 54953(e), the City Council meeting includes teleconference participation by all members.

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 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:

Click link below to join the meeting:

<https://hayward.zoom.us/j/87906807709?pwd=QVdoQ0pneVlGMzRxZHFvdVlZb1hKUT09>

Meeting ID: 879 0680 7709

Passcode: CCm2/1@7pm

or

Dial: +1 669 900 6833 or +1 346 248 7799 or 888 788 0099 (Toll Free)

Meeting ID: 879 0680 7709

Password: 6766705975

A Guide to attend virtual meetings is provided at this link: <https://bit.ly/3jmaUxa>

CALL TO ORDER: Mayor Halliday**Pledge of Allegiance: Council Member Salinas****ROLL CALL****CLOSED SESSION ANNOUNCEMENT**

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 your 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, your item 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 22-013](#) Approve the City Council Minutes of the City Council Meeting on January 18, 2022

 Attachments: [Attachment I Draft Minutes 1/18/2022](#)

2. [CONS 22-047](#) Adopt a Resolution Approving Plans and Specifications, and Calling for Bids for the Municipal Parking Lot No. 1 Improvement Project No. 05286

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

3. [CONS 22-063](#) Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 7 to the Professional Services Agreement with CSG Consultants, Inc., for Private Development Review Services in the Amount of \$130,000 for a Total Not-To-Exceed Amount of \$1,700,000

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

4. [CONS 22-080](#) Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Avidex Industries LLC, to Replace End-of-Life Hardware in the Council Chambers and City Hall Conference Room 2A in an Amount Not-to-Exceed of \$107,558.83

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

5. [CONS 22-070](#) Adopt a Resolution Accepting and Filing the Annual Comprehensive Financial Report for the Year Ended June 30, 2021

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

6. [CONS 22-081](#) Adopt a Resolution Approving Garbage and Recycling Rates for FY2022-2023

Attachments: [Attachment I Staff Report](#)
 [Attachment II Resolution](#)
 [Attachment III Comparison of Garbage & Recycling Rates](#)

SPECIAL JOINT CITY COUNCIL AND PLANNING COMMISSION 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.

7. [WS 22-004](#) Joint Work Session: Density Bonus Ordinance Update and Residential Objective Standards Project (Report from Assistant City Manager/Development Services Director Ott)

Attachments: [Attachment I Density Bonus Staff Report](#)
[Attachment II Objective Standards Staff Report](#)
[Attachment III Recent Housing and Land Use Legislation](#)
[Attachment IV Mintier Harnish Scope of Work](#)

PUBLIC HEARING

8. [PH 22-003](#) Andina Affordable Housing Project TEFRA Hearing: Public Tax and Equity Fiscal Responsibility Act (TEFRA) Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority in an Amount Not-to-Exceed \$45,000,000 to Finance or Refinance the Acquisition, Rehabilitation, Improvement and Equipping of a Multifamily Rental Housing Project Located at 1180-1182 E Street, Hayward, California (Report from Finance Director Claussen) (Item Continued to February 15, 2022)

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, February 15, 2022, 7:00 PM

PUBLIC COMMENT RULES

Any members of the public desiring to address the Council shall limit their remarks 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. Speaker Cards are available from the City Clerk at the meeting.

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, cityclerk@hayward-ca.gov, or TDD (510) 247-3340.

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

Hayward City Hall
777 B Street
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File #: MIN 22-013

DATE: February 1, 2022

TO: Mayor and City Council

FROM: City Clerk

SUBJECT

Approve the City Council Minutes of the City Council Meeting on January 18, 2022

RECOMMENDATION

That the Council approves the City Council meeting minutes of January 18, 2022.

SUMMARY

The City Council held a meeting on January 18, 2022.

ATTACHMENTS

Attachment I Draft Minutes of January 18, 2022



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

The concurrent meeting of the Hayward Geologic Hazard Abatement District (GHAD) Board and Hayward City Council was called to order by Mayor/Chair Halliday at 7:06 p.m. The City Council/ GHAD Board held a virtual meeting with teleconference participation by members of the City Council, staff and public.

Pledge of Allegiance: Mayor/GHAD Board Chair Halliday

ROLL CALL

Present: COUNCIL MEMBERS/BOARD MEMBERS Andrews, Lamnin, Márquez, Salinas,
Wahab, Zermeño
MAYOR/CHAIR Halliday

Absent: None

Members convened as the Geologic Hazard Abatement District (GHAD) Board, adjourned the GHAD meeting at 7:12 p.m., and reconvened into the meeting of the City Council.

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson noted that since the City Council did not discuss all items in Closed Session and was planning to continue discussion after the regular meeting, the public report of any action taken in Closed Session for December 20, 2021, and January 18, 2022, meetings would occur at the January 25, 2022, City Council meeting.

PUBLIC COMMENTS

There were none.

CITY MANAGER'S COMMENTS

City Manager McAdoo made two announcements: 1) the federal government launched its free COVID-19 test distribution program, offering four free at-home COVID-19 tests per household, and residents who had purchased tests at their own expense, could be reimbursed by their health insurance provider, and COVIDtests.gov provided more information; and 2) City Council meetings will be held online only for the month of January and the decision would be re-evaluated at the end of the month.

CONSENT

Council Member Andrews commented on Consent Items 12 and 13.

1. Approve City Council Minutes of the City Council Meeting on December 7, 2021 **MIN 22-001**

It was moved by Council Member Zermeno, seconded by Council Member Andrews, and carried unanimously, to approve the minutes of the City Council meeting on December 7, 2021.

2. Approve City Council Minutes of the Special City Council Meeting on December 14, 2021 **MIN 22-002**

It was moved by Council Member Zermeno, seconded by Council Member Andrews, and carried unanimously, to approve the minutes of the Special City Council meeting on December 14, 2021.

3. Adopt a Resolution Accepting Resignation of Ms. Varsha Chauhan from the Community Services Commission **CONS 22-039**

Staff report submitted by City Clerk Lens, dated January 18, 2022,
was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeno MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 22-001, "Resolution Accepting the Resignation of Ms.
Varsha Chauhan from the Community Services Commission"

4. Adopt a Resolution Appointing Ms. Hazel De Leon to the Community Services Commission to Fulfill to Unexpired Term of Ms. Varsha Chauhan **CONS 22-040**

Staff report submitted by City Clerk Lens, dated January 18, 2022,
was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeno MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

Resolution 22-002 “Resolution Appointing Ms. Hazel De Leon to the Community Services Commission to Fulfill the Unexpired Term of Ms. Varsha Chauhan”

5. Adopt a Resolution Allowing the City Council and Appointed Commissions/Task Forces and Council Committees to Hold Continued Teleconference Public Meetings Pursuant to Assembly Bill 361 **CONS 22-044**

Staff report submitted by City Manager McAdoo and City Clerk Lens, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-003, “Resolution Making the Required Findings Pursuant to AB 361 to Continue to Hold Teleconferenced Public Meetings During the COVID 19 State of Emergency”

6. Adopt a Resolution Authorizing the City Manager to Accept and Appropriate \$242,865 in Grant Funding from the Federal Emergency Management Agency for the Creation of Defensible Space in the Hayward Hills Project **CONS 22-001**

Staff report submitted by Fire Chief Contreras, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-004, “Adopt a Resolution Authorizing the City Manager to Accept and Appropriate \$242,865 in Grant Funding from the Federal Emergency Management Agency for the Creation of Defensible Space in Hayward Hills Project”

7. Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Professional Services Agreement with HydroScience Engineers, Inc., Increasing Project Design and Engineering Services for the Sewer and Water Line Improvements Project by \$175,000, for a Total Not-to-Exceed Contract Amount of \$1,642,865 **CONS 22-010**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 22-005, “Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Professional Services Agreement with HydroScience Engineers, Inc. in an Amount of \$175,000, for Project Design and Engineering Services for the Sewer and Water Line Improvements Projects for a Total Not to Exceed Amount of \$1,642,865”

8. Adopt a Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement for Materials Testing and Special Inspection Services with Consolidated Engineering Laboratories for the Fire Station 6 and Fire Training Center Project by \$450,000 for a Not-to-Exceed Amount of \$1,125,000 **CONS 22-017**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

Resolution 22-006, “Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with Consolidated Engineering Laboratories for Additional Services Associated with the Fire Station 6 and Fire Training Center Improvement Project”

9. Adopt a Resolution Authorizing the Sole Source Purchase of Specialized Laboratory Equipment for Use at the Water and Wastewater Laboratory at the Water Pollution Control Facility in an Amount Not-to-Exceed \$90,000 **CONS 22-018**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-007, “Resolution Authorizing the City Manager to Execute a Sole Source Purchase of Specialized Laboratory Equipment from Thermo Electron North America, LLC for Use at the Water and Wastewater Laboratory at the Water Pollution Control Facility in an Amount Not-to-Exceed \$90,000”

10. Adopt a Resolution Authorizing the City Manager to Negotiate and Execute a Cooperative Procurement Contract with Dell Technologies for Microsoft Software, Subscriptions, and Services for a Three-Year Contract in an Amount Not-to-Exceed \$328,114.40 Annually, for a Total Contract Amount of \$984,343.21 **CONS 22-024**

Staff report submitted by CIO/Director of Information Technology Kostrzak, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeño
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-008, “Resolution of the Council of the City of Hayward to Execute a Cooperative Procurement Contract with Dell Technologies for Microsoft Software, Subscriptions, and Services”

11. Adopt a Resolution Authorizing the City Manager to Accept and Appropriate \$238,130.94 from the Federal Communications Commission Emergency Connectivity Fund to Purchase Eligible Equipment and Services **CONS 22-033**

Staff report submitted by Director of Library Services Addleman, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeño
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-009, “Resolution Authorizing the City Manager to Accept and Appropriate \$238,130.94 from the Federal Communications Commission (FCC) Emergency Connectivity Fund (ECF) to Purchase Eligible Equipment and Services”

12. Adopt a Resolution Authorizing the City Manager to Accept and Appropriate \$15,000 from the Kaiser Foundation Health Plan, Inc. to Support the Purchase of a Lactation Pod for the Downtown Library **CONS 22-034**

Staff report submitted by Director of Library Services Addleman, dated January 18, 2022, was filed.

Council Member Andrews thanked Kaiser for funding toward the purchase of a lactation pod and encouraged staff to consider similar spaces and family rooms for future projects and consider requesting changing tables for babies in men’s rooms.

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



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeño
MAYOR Halliday

NOES: None

ABSENT: None

ABSTAIN: None

Resolution 22-010, “Resolution Authorizing the City Manager to Accept and Appropriate \$15,000 from the Kaiser Foundation Health Plan Inc. to Support the Purchase of a Lactation Pod for the Downtown Library”

13. Adopt Two Resolutions: 1) Authorizing the City Manager to Continue Exclusive Negotiations with Waste Management of Alameda County for a New Solid Waste and Recycling Franchise Agreement until June 30, 2022; and 2) Authorizing the City Manager to Extend the Current Franchise Agreement with Waste Management of Alameda County by One Year to Expire February 28, 2023 **CONS 22-021**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

Council Member Andrews hoped that trash receptacles could include public art to deter graffiti and staff could work with partners to incorporate more public art throughout Hayward.

It was moved by Council Member Zermeño, seconded by Council Member Andrews, and carried by the following roll call vote, to adopt two resolutions.

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeño
MAYOR Halliday

NOES: None

ABSENT: None

ABSTAIN: None

Resolution 22-011, “Resolution Finding and Determining the Need to Extend the Franchise Agreement Between the City of Hayward and Waste Management of Alameda County for Solid Waste, Recyclable Materials, and Organics Material Services for one 12-Month Period Ending February 28, 2023”

Resolution 22-012, “Resolution Authorizing the City Manager to Continue Exclusive Negotiations with Waste Management of Alameda County to Extend the Solid Waste and Recycling Franchise Agreement”

14. Adopt a Resolution: 1) Authorizing the City Manager to Accept and Appropriate \$5,236 in Private Community Donations for the Hayward Navigation Center; and 2) Amend the Professional Services Agreement with Bay Area Community Services to Increase the Hayward Navigation Center Contract Amount by \$5,236 for a Not-to-Exceed Amount of \$2,453,356 to Provide Additional Flexible Funds for Hayward Navigation Center Residents **CONS 22-038**

Staff report submitted by City Manager McAdoo, dated January 18, 2022, was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeno MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 22-013, “Resolution Authorizing the City Manager to Accept and Appropriate \$5,236 in Private Community Donations for the Hayward Navigation Center and Amend the Professional Services Agreement with Bay Area Community Services to Increase the Hayward Navigation Center Contract Amount by \$5,236 for a Not-To-Exceed Amount of \$2,453,356”

15. Adopt a Resolution Approving Plans and Specifications and Calling for Bids for the Safe Routes for Seniors Project **CONS 22-022**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeno MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
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<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>
Tuesday, January 18, 2022, 7:00 p.m.

Resolution 22-014, “Resolution Approving Plans and Specifications and Call for Bids for the Safe Routes for Seniors Project”

16. Adopt a Resolution Rejecting All Bids, Approving Addendum No. 1 and Revised Plans and Specifications, and Calling for Bids for the Mission Boulevard Linear Park Project, Project No. 05288 **CONS 22-016**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-015, “Resolution Rejecting All Bids, Approval of Addendum No. 1 and Revised Plans and Specifications, and Calling for Bids for the Mission Boulevard Linear Park Project, Project No. 05288”

17. Adopt a Resolution Opposing the California Public Utilities Commission’s Proposed Decision Threatening Net Energy Metering and Supporting a Net Energy Metering Policy that Continues the Growth of Local and Rooftop Solar **CONS 22-048**

Staff report submitted by Director of Public Works Ameri, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-016, “Resolution in Opposition to the Net Energy Metering 3.0 Proposed Decision and in Support of a Net Energy Metering Policy that Continues the Growth of Local and Rooftop Solar”

18. Adopt a Resolution Approving the Memorandum of Understanding Between the City of Hayward and the Hayward Association of Management Employees and Authorizing Staff to Execute the Agreement **CONS 22-049**

Staff report submitted by Director of Human Resources Sangy, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None

Resolution 22-017, “Resolution Approving the Successor Memorandum of Understanding Between the City of Hayward and Hayward Association of Management Employees and Authorizing the City Manager to Execute the Agreement”

19. Adopt a Resolution Approving the Memorandum of Understanding Between the City of Hayward and the Service Employees International Union, Local 1021 and Authorizing Staff to Execute the Agreement **CONS 22-050**

Staff report submitted by Director of Human Resources Sangy, dated January 18, 2022, was filed.

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

AYES: COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab,
Zermeno
MAYOR Halliday
NOES: None
ABSENT: None
ABSTAIN: None



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

Resolution 22-018, “Resolution Approving the Successor Memorandum of Understanding Between the City of Hayward and the Service Employees International Union, Local 1021 and Authorizing the City Manager to Execute the Agreement”

20. Adopt a Resolution Approving Annexation of the Hayward SoMi (Tracts 8502 and 8614) into the Hayward Geologic Hazard Abatement District **CONS 22-053**

Staff report submitted by GHAD Manager Harrell and GHAD Attorney Morrison, dated January 18, 2022, was filed.

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

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeno MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 22-019, “Resolution Approving the Annexation of the Hayward SOMI Development into the Hayward Geologic Hazard Abatement District”

PUBLIC HEARING

21. Appeal of Planning Commission Denial to Develop a New Approximately 116,844 Square Foot Industrial Building for U-Haul at 4150 Point Eden Way (Assessor Parcel Number 461-0085-020-02) Requiring Approval of Site Plan Review and Historic Resources Demolition Permit Application No. 201901039 Including Certification of an Environmental Impact Report, Adoption of a Statement of Overriding Considerations, and Approval of a Mitigation, Monitoring and reporting Program. Jerry Owen on Behalf of U-Haul; Amerco Real Estate Co. (Applicant/Property Owner) ****Item Continued to 2/15/22 at the Request of Applicant**** **PH 22-001**

Mayor Halliday announced the public hearing was continued to the February 15, 2022, City Council meeting at the request of the applicant.

LEGISLATIVE BUSINESS

22. Legislative Program: Adopt a Resolution Updating the City of Hayward's Legislative Program **LB 21-053**

Staff report submitted by City Manager McAdoo, dated January 18, 2022, was filed.

City Manager McAdoo introduced Management Analyst James who provided a synopsis of the staff report.

Discussion ensued among members of the City Council and City staff regarding: the dedicated webpage for the Legislative Program which is found under the "Your Government – Legislative Program" section; the practice for the Mayor to submit a letter of support or opposition to a piece of legislation involves vetting by City staff to ensure it fits the City's approved legislative priorities, staff could also initiate a letter based on the City's lobbyist, and if not consistent with Council policy/direction, the item would be agendaized for Council action; the practice for supporting ballot measures involves bringing it to Council for action and resolution; clarification about the process for submitting letters could be included in the Council Member Handbook under the Hayward Legislative Program section; in subsections C, D, and E of Section 1.9 Voting Rights, the City's position would be taken by ballot initiatives as opposed to legislation; and a process for incorporating comments when the Council may be divided on a particular legislation which might involve staff sending a draft letter to Council and allowing 48 hours to review or a member submitting a separate letter to highlight areas of concern.

There being no public comments, Mayor Halliday opened and closed the public comment section at 8:44 p.m.

Council Member Wahab indicated she understood the time sensitivity when sending urgent letters to legislators but appreciated the opportunity for members of the Council to review letters prior to sending them to ensure they include language/terms agreed upon by Council.

Council Member Lamnin made a motion, with two language recommendations: 1) amend Section 1.6 (E) as follows: "Support legislation... entities that provide vocational and supportive services and housing for people who are homeless, seniors, veterans and others with special needs."; and 2) amend Section 1.9 (A) to read as follows, "Support legislation... voting accessibility for voters who are elderly and/or have disabilities."

Council Member Zermeño seconded the motion. In response to his suggestion to clarify the difference between a resolution and proclamation within the document, City Manager McAdoo indicated the Council Member Handbook addressed the different types of recognitions.

Council Member Andrews asked staff to ensure the terms used in the document were appropriate, for example the term "unhoused" v. "homeless."

In response to Mayor Halliday's inquiry, Ms. James confirmed the Legislative Program was reviewed by members of the Government Alliance on Race and Equity (GARE) cohort.



**SPECIAL HAYWARD GEOLOGIC HAZARD ABATEMENT DISTRICT BOARD
AND HAYWARD CITY COUNCIL MEETING**

777 B Street, Hayward, CA 94541

Virtual Platform – Zoom

<https://hayward.zoom.us/j/82499367832?pwd=ZmdwMHZYb0N0eVJURHB6ZklyNkFtQT09>

Tuesday, January 18, 2022, 7:00 p.m.

Mayor Halliday suggested replacing the Council priorities “clean” with “healthy” and “green” with “sustainable” and adding “equitable” to the list of priorities and recommended having them reviewed during the Strategic Roadmap work session and having the Legislative Program updated afterwards. Mayor Halliday also requested adding safety language to the Program and offered the following, “giving local government greater resources and authority to increase traffic and pedestrian safety.”

Council Member Lamnin was amenable to the recommendation and suggested adding it to Section 1.4 as subsection “I”. Council Member Zermeño concurred with the amendment.

Management Analyst James noted the new subsection “I” would read, “Support measures that give local government more authority and resources to implement measures that improve pedestrian and traffic safety.”

It was moved by Council Member Lamnin, seconded by Council Member Zermeño, and carried by the following roll call vote, to approve the resolution with three amendments to the Legislative Program: (1) amend Section 1.6(E) to read: “Support legislation that aids or helps to fund the City and/or non-profit entities that provide vocational services, support services and housing for people who are homeless, seniors, veterans and others with special needs.”; (2) amend Section 1.9(A) to read: “Support legislation that establishes or expands early voting opportunities and increases physical accessibility for voters who are elderly or have disabilities.”; and (3) amend Section 1.4 by adding sub-section (I) to read: “Support measures that give local government more authority and resources to implement measures that improve pedestrian and traffic safety.”

AYES:	COUNCIL MEMBERS Andrews, Lamnin, Márquez, Salinas, Wahab, Zermeño MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution 22-020, “Resolution Adopting Updates to the City’s
Official Legislative Program”

INFORMATIONAL ITEM

23. Informational Report Regarding Hayward Water Bills RPT 22-001

Staff report submitted by Director of Public Works Ameri, dated
January 18, 2022, was filed.

City Manager McAdoo noted the item was presented as general information only and if Council wished to discuss or take action, staff could bring it back at the next Council agenda.

Mayor Halliday noted the Council Sustainability Committee had reviewed and discussed the report, suggested that future bill examples show a reduction in water usage when comparing data from a prior year, and she thanked City staff and her colleagues on the Council Sustainability Committee, Council Members Zermeno and Márquez, for the work on the water bill design which will help residents make decisions about water use.

COUNCIL REPORTS AND ANNOUNCEMENTS

Council Member Wahab reported someone had observed that Kwanzaa was not included in the banners hanging in the City Hall Rotunda for the holiday season. Council Member Lamnin noted that banners were created by people who celebrated the specific holiday and while outreach was done, no one was identified for that holiday and asked to be contacted if there was a desire to make a banner.

Council Member Andrews noted the Keep Hayward Clean and Green Task Force would not hold a clean-up event over the upcoming weekend due to the Omicron COVID variant, reminded residents could participate in the Adopt a Block program, and announced the Task Force was organizing the Beautiful Yard contest.

Council Member Salinas recognized Council Member Andrews for her continued work during the pandemic with Keep Hayward Clean and Green Task Force efforts.

COUNCIL REFERRALS

There were none.

ADJOURNMENT

Mayor Halliday adjourned the meeting at 8:07 p.m., noting the City Council would reconvene in Closed Session to continue discussion of remaining items and the public reporting would occur on January 25, 2022, which would be held virtually only.

APPROVED:

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



CITY OF HAYWARD

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

File #: CONS 22-047

DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Approving Plans and Specifications, and Calling for Bids for the Municipal Parking Lot No. 1 Improvement Project No. 05286

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving the plans and specifications, and calling for bids to be received on February 22, 2022, for the Municipal Parking Lot No. 1 Improvement Project No. 05286.

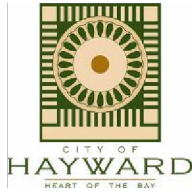
SUMMARY

This project is a continuation of the City's municipal parking lot improvement project. This is the sixth of numerous parking lot improvement projects within the downtown area of the City. Muni Lot 1 is generally located between Mission and Main Streets and A and B Streets. It is the lot that services Buon Appetito restaurant, the Turf Club, the Dirty Bird, and numerous other businesses.

The 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.

ATTACHMENTS

Attachment I Staff Report
Attachment II Resolution
Attachment III Project Location Map



DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Approving Plans and Specifications, and Calling for Bids for the Municipal Parking Lot No. 1 Improvement Project No. 05286

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving the plans and specifications, and calling for bids to be received on February 22, 2022, for the Municipal Parking Lot No. 1 Improvement Project No. 05286.

SUMMARY

This project is a continuation of the City's municipal parking lot improvement project. This is the sixth of numerous parking lot improvement projects within the downtown area of the City. Muni Lot 1 is generally located between Mission and Main Streets and A and B Streets. It is the lot that services Buon Appetito restaurant, the Turf Club, the Dirty Bird, and numerous other businesses.

The 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.

BACKGROUND

This project is part of an annual pavement rehabilitation and preventive maintenance program for the City's nine municipal parking lots. Improvements of Municipal Parking Lots No. 2, 3, 4, 5 and 6 have been completed, which improved not only the pavement and aesthetic condition of the parking lots, but also added additional parking stalls, including accessible parking spaces for Americans with Disabilities Act (ADA) compliance.

DISCUSSION

The project consists of improving the current condition of Municipal Parking Lot (Muni Lot) No. 1 by upgrading the parking configuration to City standards and ADA parking

spaces requirements. Additional improvements include pavement rehabilitation, additional landscaping, upgrading LED lighting, parking stall striping, markings and signage, and the infrastructure necessary for future electric vehicle charging stalls.

Muni Lot No. 1 is located in the Downtown servicing public parking needs for offices and retail stores on Mission Boulevard, A Street, B Street and Main Street. The parking access points to Muni Lot No. 1 are on Mission Boulevard, B Street, Main Street, and A Street.

Improvements to be performed with this project include the reconfiguration of the parking stalls to be in compliance with City standards and ADA requirements. Also included is the infrastructure to accommodate two electric vehicle charging stalls consisting of the installation of conduits and electric pull boxes.

ECONOMIC IMPACT

The improvement of the parking amenities and provision of electric vehicle charging stalls will provide convenience for visitors to the Downtown area and may increase activity to nearby businesses.

FISCAL IMPACTS

The estimated project costs are as follows:

Construction Contract	\$418,000
Construction Contingency	145,000
Landscaping – City Staff	20,000
Design and Administration	8,500
Construction Survey, Inspection and Testing	<u>8,500</u>
TOTAL	\$600,000

The contingencies are also intended to cover any necessary funds for irrigation and electrical repair or replacement work.

The adopted FY22 Capital Improvement Program (CIP) includes \$600,000 for the Muni Lot No. 1 Improvement Project No. 05286 in the Street System Improvements – Fund 450.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priorities to Improve Infrastructure. Specifically, this item relates to the implementation of the following projects:

Project 1: Improve access and mobility in downtown Hayward.

Project 2: Expand EV charging infrastructure for city fleet and employees.

SUSTAINABILITY FEATURES

This project upgrades the needed conditions of the parking lot particularly the availability of accessible parking spaces, safe pathways, and provision of electric charging stations. The project requires the contractor to recycle all construction and demolition debris resulting from the construction of the project.

PUBLIC CONTACT

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

SCHEDULE

The estimated schedule for this project is as follows:

Call for Bids	February 1, 2022
Open Bids	February 22, 2022
Award Construction Contract	March 15, 2022
Begin Construction	April 4, 2022
Complete Construction	June 7, 2022

NEXT STEPS

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

Prepared by: Hector Leuterio, Assistant Civil Engineer
Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-____

Introduced by Council Member _____

RESOLUTION APPROVING PLANS AND SPECIFICATIONS, AND CALLING FOR
BIDS FOR THE MUNICIPAL PARKNG LOT NO. 1 IMPROVEMENT PROJECT NO.
05286

WHEREAS, those certain plans and specifications for Municipal Parking Lot No. 1 Improvement, Project No. 05286, 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 therefore 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 February 22, 2022, and immediately thereafter publicly opened and declared by the City Clerk in the Rotunda, First Floor, at City Hall.

WHEREAS, 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.

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.

IN COUNCIL, HAYWARD, CALIFORNIA _____.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR: Halliday

NOES: COUNCIL MEMBERS: None

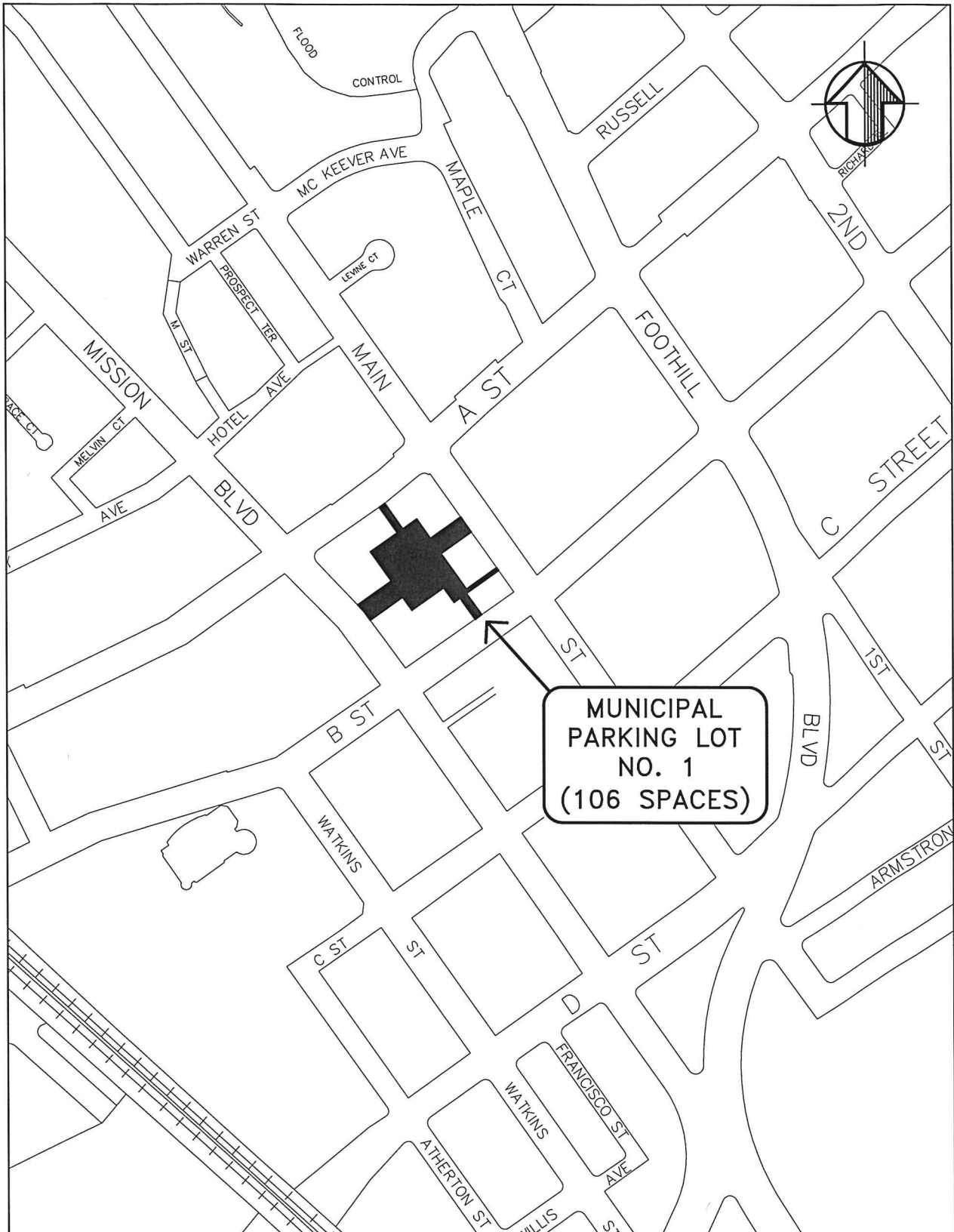
ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



LOCATION MAP
MUNICIPAL PARKING LOT NO. 1
IMPROVEMENT PROJECT
PROJECT NO. 05286



CITY OF HAYWARD

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

File #: CONS 22-063

DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 7 to the Professional Services Agreement with CSG Consultants, Inc., for Private Development Review Services in the Amount of \$130,000 for a Total Not-To-Exceed Amount of \$1,700,000

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute Amendment No. 7 to the Professional Services Agreement (PSA) with CSG Consultants, Inc., (CSG) for private development plan check review and related services, increasing the amount by \$130,000 for a total not-to-exceed contract amount of \$1,700,000.

SUMMARY

The City entered into a PSA with CSG on November 18, 2016 to assist with development review. CSG has extensive experience in providing professional services for private development projects in the Bay Area. CGS has provided these services for large scale projects in the City, such as SoHay, Lincoln Landing, and Parcel Group 3 and 5, specifically in the planning and entitlement stages of projects. Due to staff vacancies and continued significant private development workload, staff is requesting an additional amendment to continue receiving these services.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 7 to the Professional Services Agreement with CSG Consultants, Inc., for Private Development Review Services in the Amount of \$130,000 for a Total Not-To-Exceed Amount of \$1.7 million

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute Amendment No. 7 to the Professional Services Agreement (PSA) with CSG Consultants, Inc., (CSG) for private development plan check review and related services, increasing the amount by \$130,000 for a total not-to-exceed contract amount of \$1,700,000.

SUMMARY

The City entered into a PSA with CSG on November 18, 2016 to assist with development review. CSG has extensive experience in providing professional services for private development projects in the Bay Area. CGS has provided these services for large scale projects in the City, such as SoHay, Lincoln Landing, and Parcel Group 3 and 5, specifically in the planning and entitlement stages of projects. Due to staff vacancies and continued significant private development workload, staff is requesting an additional amendment to continue receiving these services.

BACKGROUND

Public Works staff is responsible for reviewing grading plans, subdivision maps, improvement plans, and soils and geological reports for private development projects. Due to staff vacancies and significant private development workload, the City entered into a PSA with CSG on November 18, 2016, to provide these plan review services. On September 19, 2017¹, Council approved Amendment No. 1, increasing the original PSA amount by an additional \$425,000, for a total amount of \$500,000, and extending the term to June 30, 2018. Amendment No. 2, which was approved on May 22, 2018², increased the total of the

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3162138&GUID=76EC45C9-E156-4AFB-9E60-B0AB0C27AE83&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=3508589&GUID=F517F5A6-7470-4B64-BE2A-26D7C5726EAC&Options=&Search=>

PSA to \$680,000 and extended the PSA to December 31, 2018. Amendment No. 3, which was approved on January 8, 2019, extended the PSA to June 30, 2019. On June 25, 2019³, Council approved Amendment No. 4, for a total PSA amount of \$880,000 and extended the PSA to June 30, 2020. On September 22, 2020⁴, following Amendment No. 5 approval, the agreement was extended to June 30, 2021 for a total PSA amount of \$1,200,000. On July 06, 2021⁵, Council approved Amendment No. 6 for a total PSA amount of \$1,570,000 and extended the PSA to June 30, 2022.

DISCUSSION

The current PSA with CSG for development plan check and review services expires on June 30, 2022; however, because of the extended need for CSG services, the PSA amount of \$1,570,000 is estimated to be fully expended by February 2022. Furthermore, due to staff vacancies in the Public Works & Utilities and Development Services Departments, and significant private development workload, staff anticipates that these services will continue to be required through the end of FY22. CSG's advanced knowledge and experience in private development projects, along with their familiarity with the City's Municipal Code and development requirements, have assisted City staff in processing development projects.

As such, staff requests approval of Amendment No. 7 to increase the contract amount by \$130,000, for a not-to-exceed amount of \$1.7 million, to fund the required services through the end of the fiscal year.

ECONOMIC IMPACT

This PSA aims to facilitate timely development in the City, which impacts and improves the local economy.

FISCAL IMPACT

This item will have some impact to the General Fund. Given that the private consultant's hourly rates are typically much higher than City staff's rates in comparable positions, the consultant's fees are not currently fully recovered through charges to projects. However, staff anticipates that most of these expenses will be offset by charges to developers.

Staff will be evaluating the current approach taken in current charging practices for development review and will adjust accordingly in order to reduce the impact on the General Fund.

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3993701&GUID=84297268-7A43-4F53-8674-B64A2D980093&Options=&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4646744&GUID=BEF0434E-91CC-40BB-8BBB-AE2E500B3CE1&Options=&Search=>

⁵ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5018122&GUID=65E9EA51-514A-43E0-A1E4-3BF3177C01A2&Options=&Search=>

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority to Grow the Economy by providing professional services to the Development Services and Public Works & Utilities

Departments by assisting in finalizing planning on redevelopment of six remaining parcel groups. Specifically, this item relates to the implementation of the following:

Project 5, Part 5a: Finalize planning on redevelopment of six remaining parcel groups

This agenda item also supports the Strategic Priority to Improve Infrastructure. Specifically, this item relates to the implementation of the following:

Project 10: Investigate major municipal building upgrade needs

Project 11, Part 11b: Upgrade and maintain Airport infrastructure and facilities

By receiving professional services from CSG, the City is taking steps to improve infrastructure within the City. This achievement occurs through reviewing and conditioning large developments projects to improve Hayward's utilities and street improvements including but not limited to traffic calming initiatives.

PUBLIC CONTACT

No public contact has been made related to this amendment.

NEXT STEPS

If Council approves this request, the City Manager will execute Amendment No. 7 to the PSA with CSG to increase the PSA amount to \$1.7 million in a form approved by the City Attorney.

Prepared by: Manny Grewal, Management Analyst
 Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 7 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CSG CONSULTANTS, INC., FOR PRIVATE DEVELOPMENT REVIEW SERVICES IN THE AMOUNT OF \$130,000 FOR A NOT-TO-EXCEED AMOUNT OF \$1.7 MILLION

WHEREAS, the aforesaid parties have entered into that certain Agreement dated the 18th day of November 2016, entitled "Agreement for Professional Services between the City of Hayward and CSG CONSULTANTS, INC.", for temporary Development Review Services; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No.1 dated the 19th day of September 2017 increasing the Agreement to \$500,000 and extending the termination date to June 30, 2018; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No. 2 dated the 22nd day of May 2018 increasing the Agreement to \$680,000 and extending the termination date to December 31, 2018; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No. 3 dated the 8th day of January 2019 extending the termination date to June 30, 2019; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No. 4 dated the 25th day of June 2019 extending the termination date to June 30, 2020; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No. 5 dated the 22nd day of September 2020 extending the termination date to June 30, 2021; and

WHEREAS, the City and Consultant amended that certain Agreement with Amendment No. 6 dated the 6th day of July 2021 extending the termination date to June 30, 2022; and

WHEREAS, the City and the Consultant desire to further amend the Agreement in certain respects,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute, on behalf of the City of Hayward, in a form approved by the City Attorney, an amendment to the agreement with CSG CONSULTANTS, INC., for additional services in the amount of \$130,000, resulting in an increase of the total contract, inclusive of all prior amendments, to an amount not-to-exceed \$1.7 million associated with the City of Hayward temporary development plan check review services.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2022

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

File #: CONS 22-080

DATE: February 1, 2022

TO: Mayor and City Council

FROM: CIO/Director of Information Technology

SUBJECT

Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Avidex Industries LLC, to Replace End-of-Life Hardware in the Council Chambers and City Hall Conference Room 2A in an Amount Not-to-Exceed of \$107,558.83

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an agreement with Avidex Industries, LLC to retrofit the Council Chambers and City Hall Conference Room 2A in the amount of \$97,780.83 plus a 10% contingency in the amount of \$9,778 for any related, but unforeseen work with a total of an amount ot-to- exceed of \$107,558.83.

SUMMARY

The City of Hayward Council meetings are public meetings and are broadcasted and recorded for the public from the Council Chambers at Hayward City Hall. The upgrade of the hardware in the Council Chambers and City Hall Conference Room 2A audio/video systems directly supports integral equipment needed to run Council, Planning Commission, and other official meetings for the City of Hayward. In June of 2021, the Council Chambers were upgraded to allow for hybrid participation meetings and during that time, additional equipment was identified as needing replacement. This upgrade will update end-of-life equipment as phase two of the City's hybrid meeting participation upgrade.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution



DATE: February 1, 2022

TO: Mayor and City Council

FROM: CIO/Director of Information Technology

SUBJECT

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SUMMARY

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BACKGROUND AND DISCUSSION

In June of 2021, the Chambers and Conference Room 2A were retrofitted to allow for hybrid participation meetings. These specific upgrades were made to support dual participation with constituents and Council, as well as to allow for the overflow of participants from the pre-function area and add a third camera in a secondary conference room for greater broadcast coverage. During that time, additional equipment was discovered in these areas at their end-of-life and in need of replacement.

A second phase is needed for the Council Chambers and Conference Room 2A that will address the following issues:

Recording and Playback Limitations

Multiple commission, task force, and Council meetings that are scheduled to playback at the same time cannot currently be done. Upgrading the main infrastructure that broadcasts and plays back previously recorded meetings will be upgraded to address its current limitation while upgrading equipment in need of replacement.

Replace the Character Generator

This appliance is used for the graphics for all broadcasted Council, Commission, and Task Force meetings. This replacement will allow the City to replace end-of-life equipment and upgrade to the latest version of software.

Replace Teleconferencing Camera in 2A

This teleconference camera replacement will address the audio and video quality when joining a video conference call from the system in Conference Room 2A.

Avidex LLC is a trusted, industry leading vendor with extensive historical knowledge of the existing system and is currently managing and maintaining the software and hardware in the Chambers and Conference Room 2A. Avidex also successfully upgraded the audio/video systems to the current hybrid solution that now serves as a model that other agencies are adopting and referencing.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Organizational Health by supporting the City's diversity, equity, and inclusion action plan by providing greater access for the Hayward community to City meetings.

FISCAL IMPACT

The cost of this service agreement with Avidex is not expected to exceed \$107,558.83 and will be covered under the American Rescue Plan Act Fund (Fund 103). Sufficient funds have been appropriated and no other funding is needed.

NEXT STEPS

If Council adopts the resolution, the City Manager will execute the agreement and staff will work with Avidex to begin the upgrade work in the Chambers and in Conference Room 2A.

Prepared by: Maritza Vargas, IT Client Support

Recommended by: Adam Kostrzak, Chief Information Officer

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH AVIDEX INDUSTRIES, LLC, TO REPLACE END-OF-LIFE EQUIPMENT IN THE COUNCIL CHAMBERS AND CITY HALL CONFERENCE ROOM 2A IN AN AMOUNT NOT-TO-EXCEED \$107,558.83

WHEREAS, due to the COVID-19 pandemic, the Council and public participation in the Council Chambers will continue to be in person/remote hybrid meetings; and

WHEREAS, these improvements are critical and necessary elements of the City Council's public meetings; and

WHEREAS, replacement of critical infrastructure is needed in order to continue to provide a hybrid model; and

WHEREAS, the City previously contracted Avidex for City Council chamber modifications, and, as a result, Avidex staff has knowledge and understanding of the chamber designs and is available to begin work immediately.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes and directs the City Manager to negotiate and execute an Agreement with Avidex Industries, LLC., for equipment and professional services in an amount of \$97, 780.83 plus a 10% contingency in the amount of \$9,778 for any related, but unforeseen work, for a total not-to-exceed amount of \$107,558.83, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2022.

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

File #: CONS 22-070

DATE: February 1, 2022

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, 2021

RECOMMENDATION

That the Council adopts a resolution (Attachment II) accepting and filing the City's Annual Comprehensive Financial Report (ACFR) (Attachment III) for the fiscal year ended June 30, 2021.

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 2020 is without exception and is unmodified. There were no significant findings with respect to either the City's FY2020 financial statements or FY2021 statements.

ATTACHMENTS

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



DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT

Transmittal of the Annual Comprehensive Financial Report for the Year Ended June 30, 2021

RECOMMENDATION

That the Council adopts the attached Resolution (Attachment II) accepting and filing the City's Annual Comprehensive Financial Report (ACFR) (Attachment III) for the fiscal year ended June 30, 2021.

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 2020 is without exception and is unmodified. There were no significant findings with respect to either the City's FY2020 financial statements or FY2021 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, 2021. The City's Annual Comprehensive Financial Report (ACFR) represents all funds of the City, including the General Fund, Water, Sewer, Airport, and 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, and to 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 2021 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 2021 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-fifth 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 2021 Finding

There were no significant audit findings.

FY 2020 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 20, 2021, Maze & Associates presented to the Council Budget and Finance Committee an overview of the fiscal year 2021 audit process and the role of the external auditor. Staff presented the final audit findings and the ACFR to the Council Budget and Finance Committee on January 19, 2022.

Prepared and Recommended by: Dustin Claussen, Director of Finance

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-_____

Introduced by Council Member

RESOLUTION ACCEPTING AND FILING THE ANNUAL COMPREHENSIVE
FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

WHEREAS, the audit of the financial statements and internal controls of the City of Hayward has been completed for the year ended June 30, 2021, 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, 2021.

HAYWARD, IN COUNCIL, HAYWARD, CALIFORNIA _____, 2022.

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 ENDED:
JUNE 30, 2021**



HAYWARD, CALIFORNIA

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CITY OF HAYWARD, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2021

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, 2021

TABLE OF CONTENTS

	Pages
INTRODUCTORY SECTION	
Letter of Transmittal	i – xi
Organization Chart.....	xii
Directory of City Officials.....	xiii
Directory of Administrative Staff.....	xiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xv
FINANCIAL SECTION	
Independent Auditor’s Opinion.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	21
Statement of Activities	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	26
Reconciliation of Governmental Fund Balances to Net Position of Governmental Activities.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Statements of Activities	32
Proprietary Funds:	
Statement of Net Position	34
Statement of Revenues, Expenses and Changes in Fund Net Position	35
Statement of Cash Flows	36
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	38
Statement of Changes in Fiduciary Net Position.....	39
Notes to Basic Financial Statements	41
Required Supplemental Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios (Miscellaneous Plan)	96
Schedule of Contributions (Miscellaneous Plan)	98
Schedule of Changes in the Net Pension Liability and Related Ratios (Safety – Fire Plan)	100
Schedule of Contributions (Safety – Fire Plan).....	102
Schedule of Changes in the Net Pension Liability and Related Ratios (Safety – Police Plan)	104
Schedule of Contributions (Safety – Police Plan)	106

FINANCIAL SECTION (Continued):

Required Supplemental Information (Continued):

Schedule of Changes in the Net OPEB Liability and Related Ratios	108
Schedule of Contributions – Other Postemployment Benefits.....	109
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Major Special Revenue Fund:	
General Fund	110
Federal Grants Special Revenue Fund	111

Supplemental Information:

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Major Capital Projects Funds:	
Housing Authority Capital Project Fund	114
General Capital Projects Capital Project Fund	115
Combining Balance Sheets – General Fund	118
Combining Schedules of Revenues, Expenditures and Changes in Fund Balance – General Fund.....	119
Non-major Governmental Funds:	
Combining Balance Sheets.....	124
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	130
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual	136
Non-major Enterprise Funds	
Combining Statements of Net Position	146
Combining Statements of Revenues, Expenses and Changes in Fund Net Position	147
Combining Statements of Cash Flows	148
Internal Service Funds:	
Combining Statements of Net Position	150
Combining Statements of Revenues, Expenses and Changes in Fund Net Position	152
Combining Statements of Cash Flow	154
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Custodial Funds.....	158
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	159

STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	165
Changes in Net Position – Last Ten Fiscal Years	166
Fund Balances of Governmental Funds – Last Ten Fiscal Years	170
Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years	172
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	174
Property Tax Rates - All Overlapping Governments – Last Ten Fiscal Years.....	175
Principal Property Taxpayers – Current Year and Nine Years Ago	176
Property Tax Levies and Collections – Last Ten Fiscal Years	177
Ratio of Outstanding Debt by Type– Last Ten Fiscal Years	178
Computation of Direct and Overlapping Debt	179
Computation of Legal Bonded Debt Margin	180
Revenue Bond Coverage Wastewater Revenue Bonds – Last Ten Fiscal Years	181

STATISTICAL SECTION (Unaudited) (Continued)

Bonded Debt Pledged Revenue Coverage, Tax Allocation Bonds- Last Ten Fiscal Years	182
Demographic and Economic Statistics – Last Ten Fiscal Years	183
Principal Employers – Current Year and Nine Years Ago	184
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	185
Operating Indicators by Function/Program – Last Four Fiscal Years	186
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	188

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December 17, 2021

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, 2021. 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, 2021, 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, 2021, 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 (issued in March 2022).

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 162,954, 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/). 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/) and Hayward Unified School District (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. Because of this the City is working towards a healthy recovery after multiple shelter in place orders during the fiscal year. The City has worked tirelessly with local businesses to assist in keeping their doors open for business and funding programs to stimulate the local economy and assist in this recovery.

The Employment Development Department data reflects that the unemployment rate in Alameda County as of October 2021 was 6.1%, which is down from 11.0% in 2020.

In spite of the pandemic, Hayward has seen a year over year increase of 6.0% in its assessed valuation in 2021. The median residential home value is about \$876,343 in October 2021 versus \$702,173 a year ago.

The total Assessed Valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$25.8 billion in FY 2021, 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 6% in FY 2021 as compared to FY 2020.

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, (\$18.6 million in FY 2021) 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 2021 was \$17.3 million.

The City's transfers tax revenue went up by \$5 million or 40.6% in fiscal year 2021 compared to fiscal year 2020 due to growing demand and tight housing supply.

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

In addition to the unforeseen impacts of the COVID-19 pandemic, 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. The City worked incredibly diligently to reduce the amount of reserves used during FY 2021 and will continue to do so moving forward while the effects from the COVID-19 pandemic continue. 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 recently updated 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 early 2020, the Hayward City Council adopted the City's "Strategic Roadmap," which included six priority areas: Preserve, Protect & Produce Housing; Grow the Economy; Combat Climate Change; Improve Infrastructure; Improve Organizational Health; and Support 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). The capital budget for FY 2021 totaled about \$73 million, with approximately \$471million tentatively programmed for the entire ten-year period from FY 2021 through FY 2030. While the City's CIP Projects touch the Combat Climate Change, Support Quality of Life, and Improve Organizational Health Priorities, they predominantly support the Improve Infrastructure Priority.

Improve Infrastructure Priority

Complete Hayward Boulevard Feasibility Study: The Complete Hayward Boulevard Feasibility Study will address speeding and safety concerns on Hayward Boulevard, a vibrant multi-lane arterial that includes residential, commercial, and educational land uses. The intent of the project is to provide recommendations leading to the eventual implementation of a more balanced multi-modal roadway, utilizing traffic calming strategies to improve bicycle and pedestrian accessibility within the corridor. The study is anticipated to be completed in Fall 2021. At that point, funding will be sought to implement the adopted recommendations in a phased approach.

Assess Safe Route for Seniors in the Downtown Area: The proposed Safe Routes for Seniors (SRS) program seeks to make walking in Downtown Hayward safe, pleasant, and accessible for all. In collaboration with local senior housing facilities, senior centers, and community-based organizations, staff will meet with senior residents to identify obstacles to walking, develop a set of design solutions to address their concerns, and either advocate for or implement those solutions on Hayward streets and sidewalks. Benefited by a re-allocation of \$1.9 million dollars of Measure B/BB funding, the Program will ultimately involve the development and construction of recommended mobility and accessibility improvements benefiting seniors in the downtown core.

Mission Blvd Phases 2 & 3: Phase 2 of the Mission Boulevard Corridor Improvement Project involved the improvement of Mission Boulevard from Industrial Parkway to the south City limit, near Blanche Street. The improvements have been constructed to accommodate multi-modal access via numerous efforts, including: new sidewalks, curb ramps, pavement, traffic signals, street lighting, separated bike lanes, transit improvements, landscaping, undergrounding of overhead utilities, replacement of walls/signs at Blanche Street, Fairway Street, and Corrine Street, as well as new fencing. The project includes features such as drought tolerant plants, permeable pavers, reuse of existing pavement, and energy efficient LED streetlights with dimming features. Construction of this Phase of the Mission Boulevard Corridor Improvement Project commenced in March 2018 and was completed in September 2020.

Phase 3 is the final phase of the Mission Boulevard Corridor Improvement Project. Like the Phases before it, Phase 3 will focus on improving multi-modal access on Mission Blvd along the stretch from A Street to the north City limit at Rose Street. Improvements will include a bike lane adjacent to the sidewalk (Cycle Track), new sidewalk, curb ramps, pavement, traffic signals, street lighting, transit improvements, landscaping, undergrounding of overhead utilities, and a new gateway feature at Rose Street. Design work on Phase 3 was completed on schedule in December 2020, and the project was advertised and bids were received in April 2021. However, due to unexpectedly high bids and a funding shortfall, a construction contract was not awarded. Staff have modified the design to allow for the inclusion or exclusion of some elements due to cost. Staff are also actively pursuing funding opportunities, like the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant, to rebid the project in FY 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. Design work was completed in April 2020. Construction started in August 2020 and is anticipated to be complete in Fall 2022.

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 have been completed, and recycled water deliveries to the first phase of customers are anticipated to begin in mid-FY 2022. 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: The FY 2019 CIP included a Hangar Condition Assessment (HCA), through which a consultant was hired to conduct a physical evaluation of various Airport-owned hangars. The final assessment was provided to Airport staff in mid-FY 2020. In concert with the City's Council Airport Committee, and with input from the tenants, a ten-year maintenance schedule was developed based on this assessment. Implementation of this maintenance schedule began in FY 2020, and activities in the first two years of the ten-year plan will primarily involve roof repairs -- particularly those required of the larger executive hangars, which are in the greatest need of refurbishment. In FY 2021, roof repairs, which consisted of removing and repairing sections of the metal roof that were leaking and applying a polyurethane coating to make the roofs water resistant, were completed on Executive Hangar Buildings 1 and 2.

Combat Climate Change 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. The useful life of these fleet units is maximized and managed via the 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 key consideration in the selection of its replacement.

In FY 2021, Fleet Management began a Police Hybrid Patrol Vehicle Pilot Program which included the replacement of four patrol gasoline powered vehicles with four hybrid models. After a six-month trial in 24/7 operation, the hybrid vehicles performed as required, clearing the way for the City to order future police patrol replacement vehicles as hybrids. In FY 2021, Fleet purchased an all-electric ride-on lawnmower to replace a gasoline model in a deliberate effort to evaluate and purchase greener types of vehicles and equipment. The new mower is being used in the downtown area and operates quietly, eliminating noise in and around businesses and homes. Staff are also working to invest in electric vehicles (EV) where possible and within current replacement cycles and budget parameters. Development of an implementation plan to increase City EV charging infrastructure is necessary in order to accommodate future increases in the City's EV Fleet.

Support Quality of Life Priority

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 involves new trees, plants, bark chips, pavers, and more, and is anticipated to be 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 is scheduled to commence in FY 2023.

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. The project completed its CEQA update, and staff are currently working with consultants to finalize the design. Construction bid documents are anticipated to be completed by Fall 2022, and construction is planned to commence in Spring 2023.

Improve Organizational Health Priority

Replace Aging Fiber Optic Lines between City Facilities: IT infrastructure is the critical backbone of all City systems and business processes. Therefore, it is essential that all systems and supporting infrastructure are reliable and continuously updated. Several of the fiber optic lines owned by the City are beyond their expected age of use and this project will support their replacement.

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 a AA rating from both Fitch and Standard & Poor's of the 2015 Certificates of Participation and a 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 2021, the City had total debt outstanding of \$122.04 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 2021, 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 2021, the unassigned fund balance of the General Fund was \$31.4 million, while the total fund balance was \$66.2 million (includes non-cash outstanding receivables of over \$4.5 million and \$30.3 million in Measure C District Tax cash balance). The unassigned fund balance represents 16.6% of total General Fund expenditures of \$188.5 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 sixth 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.

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.

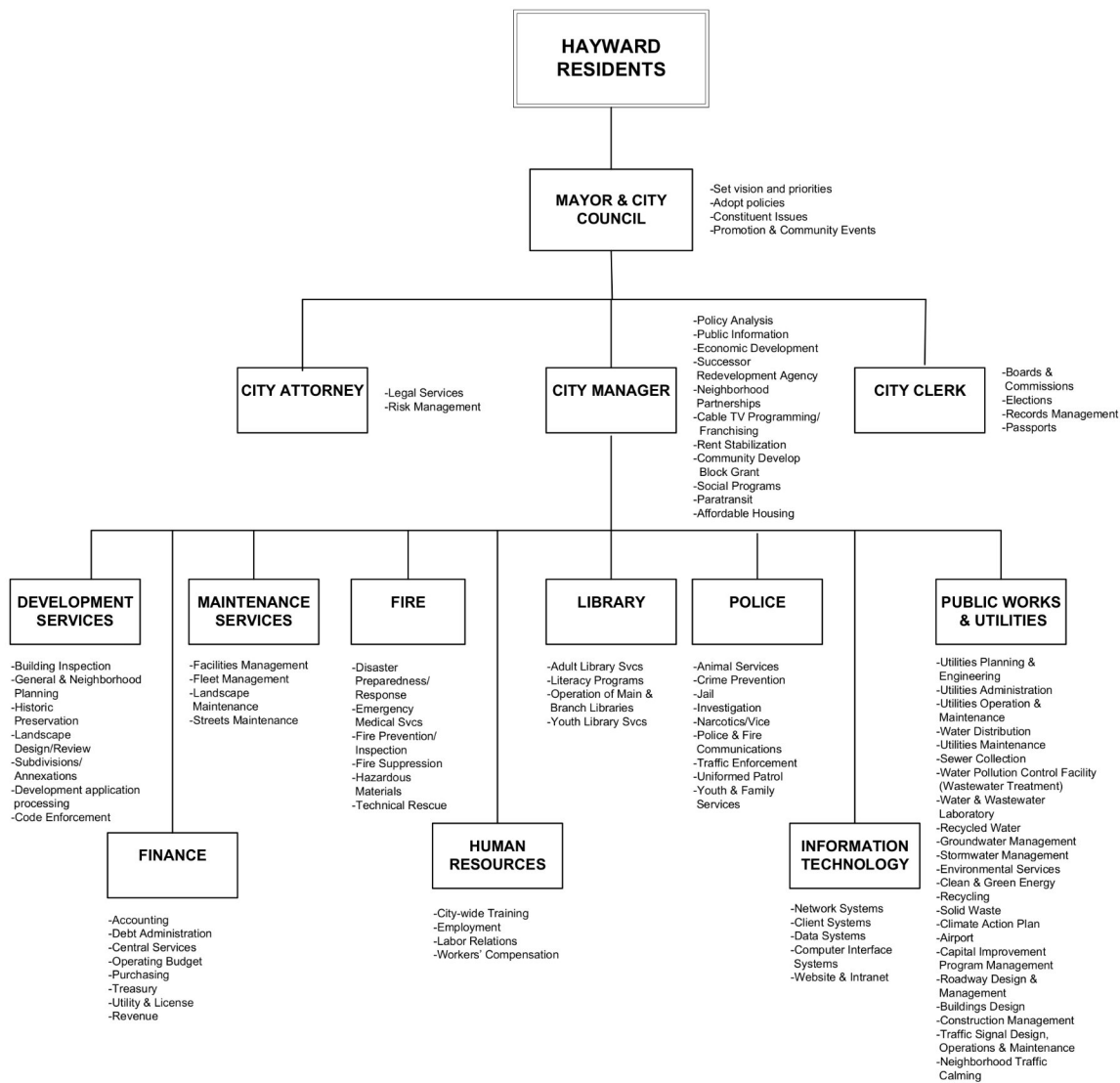
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'DC' or similar initials, followed by a horizontal line.

Dustin Claussen
Director of Finance
City of Hayward

CITYWIDE ORGANIZATION



ELECTED OFFICIALS

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 Zermeno
Council Member
Term Expires 2024



Angela Andrews
Council Member
Term Expires 2024

ADMINISTRATIVE STAFF

Appointed by City Council

City Manager	Kelly McAdoo
City Attorney	Michael Lawson
City Clerk	Miriam Lens

Department Directors

Assistant City Manager	Maria Hurtado
Deputy City Manager	Jennifer Ott
Development Services	Laura Simpson
Finance	Dustin Claussen
Fire	Chief Garrett Contreras
Human Resources (interim)	Maria Hurtado
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
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hayward
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S OPINION

To the Honorable Members of the City Council
City of Hayward, California

Report on Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of East Bay Dischargers Authority, which represent 2.23%, 2.82% and 10.46%, 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 East Bay Dischargers Authority is based solely on the report of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and required the restatements of Governmental Activities and Fiduciary net positions as discussed in Note 1 to the financial statements. In addition, the Statement established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds.

Management early adopted the provisions of Governmental Accounting Standards Board Statement No. 98 – *The Annual Comprehensive Financial Report* which changes the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

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, 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.

Other 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 Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental 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. Such 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, 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
December 17, 2021

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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, 2021. 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 \$474.9 million (*total net position*). Excluding the \$467.1 million net pension liability, \$321.5 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 \$64.5 million over fiscal year 2020. Governmental activities, including the General Fund, increased by \$44.8 million and Business-type activities increased by \$19.7 million.
- ❑ As of June 30, 2021, the City's governmental funds reported combined fund balances of \$198.3 million, an increase of \$33.2 million from the prior year.
- ❑ At the end of fiscal year 2021, total fund balance for the General Fund, including Measure C, is \$66.2 million, an increase of \$13.5 million over fiscal year 2020. Of the total, the General Fund ending fund balance is \$36.1 million, and Measure C ending fund balance is \$30.1. The total fund balance is comprised of \$4.4 million in non-spendable (illiquid reserves), \$30.3 million in assigned (liquid reserves designated for specific purposes), and \$31.4 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$31.4 million in unassigned fund balance represents 16.6% of total General Fund expenditures including Transfers Out. The \$4.4 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2021 ended with a net increase to the General Fund, General Purpose Fund Reserve of \$5.3 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2021, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$368.6 million; an increase of \$19.7 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 21-23) 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 6) 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 8) 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 26-32) 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 8 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 34-36) 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 38-39) 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 41-94) 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 118 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 \$474.9 million at the close of the current fiscal year, an increase from the prior year of \$64.5 million. The change in the combined net position includes an increase of \$44.8 million in Governmental Activities, and an increase of \$19.7 million in Business-type Activities.

Table 1 – City of Hayward Statement of Net Position (*in millions*)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$297.9	\$230.8	\$272.6	\$248.7	\$570.5	\$479.6
Capital assets	433.2	420.9	188.0	190.5	621.2	611.4
Total assets	731.1	651.8	460.6	439.2	1,191.7	1,091.0
Deferred outflows	62.7	67.6	4.1	4.6	66.7	72.2
Liabilities						
Long term debt outstanding	79.4	85.6	42.6	42.0	122.0	127.6
Other liabilities	575.7	532.3	47.9	46.9	623.6	579.1
Total liabilities	655.1	617.9	90.5	88.9	745.6	706.8
Deferred inflows	32.3	39.9	5.5	6.0	37.9	45.9
Net position:						
Net investments in capital assets	357.5	341.0	145.3	148.4	502.8	489.4
Restricted	117.7	94.1	0.0	0.3	117.7	94.4
Unrestricted*	(368.8)	(373.5)	223.2	200.2	(145.6)	(173.3)
Total net position	\$106.4	\$61.5	\$368.6	\$348.9	\$474.9	\$410.4

* Unrestricted net position for June 30, 2021, included the City's \$467.1 million net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2021 City's net position, \$502.8 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 2021, the City's net position included \$66.7 million in deferred outflows of resources. Of this amount, \$57.5 million is related to pensions. This includes \$39.7 million related to pension contributions after the measurement date, as well as \$17.8 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$8.6 million of the deferred outflows are related to other post-employment benefits (OPEB). \$6.8 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$1.8 million is related to changes in assumptions and trust performance. Finally, \$0.6 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$122.0 million includes \$9.9 million due within one year, as well as an additional \$112.1 million due in future years.

The largest share of the City's other liabilities is comprised of \$467.1 million in net pension liabilities and \$67.5 million in OPEB liabilities, as detailed in Note 12 and Note 14, respectively. Other major liabilities include \$29.1 million in accrued liabilities, \$23.3 in unearned revenue, \$15.3 million in accounts payable, \$11.7 million in total compensated absences, and \$8.7 million in refundable deposits.

Deferred inflows of resources totaled \$37.9 million in fiscal year 2021, \$1.4 million related to pensions and \$36.5 million related to OPEB. Pension-related deferred inflows are comprised of \$0.6 million in differences between actual and expected experience and \$0.8 million in changes to calculation assumptions. OPEB-related deferred inflows consist of \$36.1 million in changes to calculation assumptions and \$0.3 million in differences between projected and actual earnings.

A portion of the City's net position, \$117.7 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 \$467.1 million net pension liability, \$321.5 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 \$44.9 million.

Table 2 – City of Hayward Statement of Activities and Change in Net Position *(in millions)*

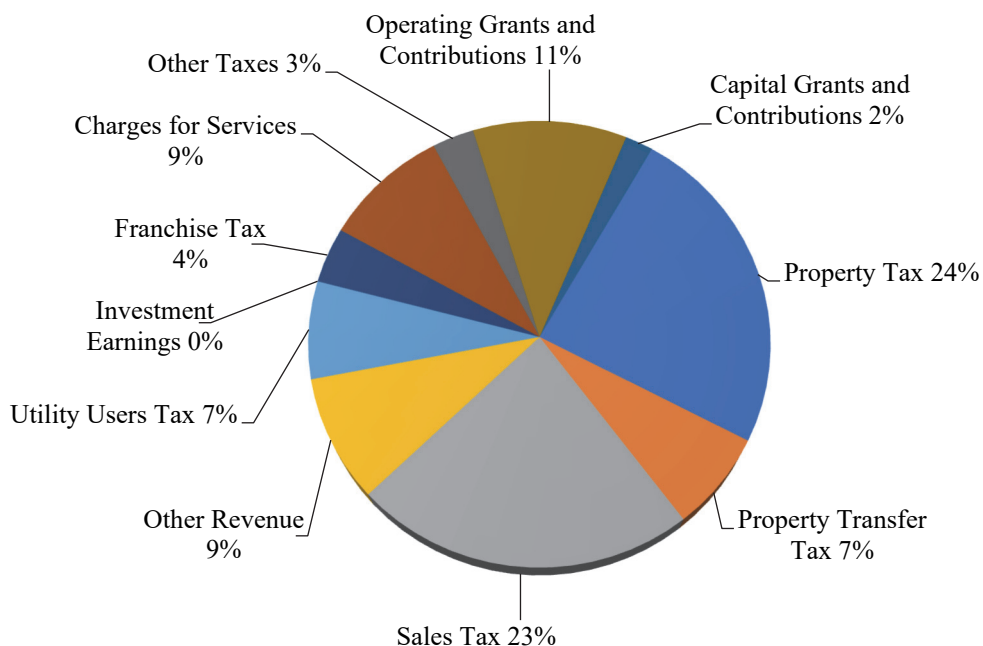
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$23.4	\$21.8	\$99.3	\$100.7	\$122.7	\$122.4
Operating contributions and grants	29.5	14.8	-	0.1	29.5	14.9
Capital contributions and grants	5.4	5.8	-	-	5.4	5.8
	58.3	42.3	99.3	100.8	157.6	143.1
General revenues						
Property tax	62.2	58.9	-	-	62.2	58.9
Sales tax	58.7	56.6	-	-	58.7	56.6
Utility user tax	17.3	16.1	-	-	17.3	16.1
Real property transfer tax	17.1	12.2	-	-	17.1	12.2
Franchise fees	10.6	10.6	-	-	10.6	10.6
Other taxes	15.1	15.1	-	-	15.1	15.1
Investment earnings	1.1	3.3	1.1	5.1	2.2	8.4
Gain on sale of land for resale	3.4	-	-	-	3.4	-
Gain on sale of capital assets	0.1	-	-	-	0.1	-
Miscellaneous	18.7	15.2	-	-	18.7	15.2
General revenues subtotal	204.2	187.8	1.1	5.1	205.3	192.9
Total Revenues	262.5	230.1	100.4	105.9	362.9	336.0
Expenses by activity						
General Government	24.8	30.3	-	-	24.8	30.3
Public safety	139.4	128.6	-	-	139.4	128.6
Public works and transportation	26.5	22.1	-	-	26.5	22.1
Library and neighborhood services	11.4	11.0	-	-	11.4	11.0
Economic development	3.0	2.6	-	-	3.0	2.6
Planning and building	10.4	10.7	-	-	10.4	10.7
Maintenance services	12.4	12.1	-	-	12.4	12.1
Interest on long term debt	2.6	2.8	-	-	2.6	2.8
Sewer	-	-	21.9	20.1	21.9	20.1
Water	-	-	49.1	47.7	49.1	47.7
Airport	-	-	3.4	3.8	3.4	3.8
Stormwater	-	-	2.7	2.8	2.7	2.8
Recycling	-	-	0.3	0.0	0.3	0.0
Total expenses	230.5	220.2	77.5	74.4	308.0	294.6
Increase (decrease) before transfers	32.0	9.9	22.9	31.5	54.9	41.4
Transfers	3.2	3.1	(3.2)	(3.1)	-	-
Change in Net Position	35.2	13.0	19.7	28.4	54.9	41.4
Beginning Net Position, as restated*	71.2	48.5	348.9	320.5	420.1	369.0
Ending Net Position (June 30)	\$106.4	\$61.5	\$368.6	\$348.9	\$474.9	\$410.4

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.). Total revenues increased by \$32.4 million:

- ❑ Charges for Services increased by \$1.7 million over prior year, as the City resumed specific services that were paused during the initial months of the Covid-19 pandemic.
- ❑ Operating Contributions and Grants increased by \$14.8 million compared to prior year due to federal and county funding received in response to the Covid-19 pandemic.
- ❑ Capital contributions and grants decreased slightly by \$0.4 million over the prior year.
- ❑ Property Taxes increased by \$3.3 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$2.1 million over the prior year, due to continued strength of online sales and increased collections because of the *Wayfair* decision in FY 2019.
- ❑ Real Property Transfer Tax increased by \$5.0 million over 2020, despite an expected RPTT slowdown prompted by the Covid-19 pandemic.
- ❑ A Gain on Sale of Land for Resale resulting from the sale of additional City property along Route 238 increased one-time revenues by \$3.4 million over 2020.
- ❑ Miscellaneous Revenue increased by \$3.5 million compared to 2020.

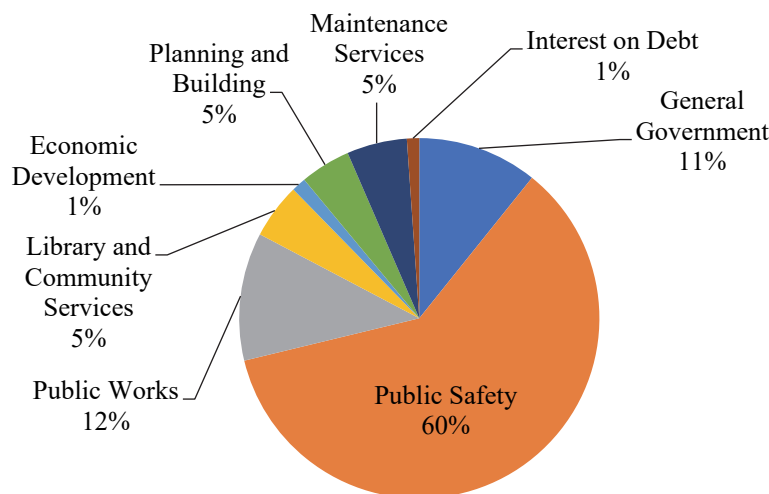
Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2021



Governmental Activities Expenses

The governmental expenses (excluding transfers) increased by \$10.3 million to \$230.5 million. Operational cost reductions of \$5.5 million in general government expenditures were offset by increases of \$10.7 million in public safety costs, \$4.4 million in public works costs, and a net increase of \$0.7 million across other governmental activities expenditures. A significant portion of the increase in expenditures is related to personnel expenses including rising pension benefit costs, as well as an increase in overtime expenses resulting from the City's response to the Covid-19 pandemic and mutual aid response. The increase in public works costs is associated with the current and 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 2021



Business-Type Activities. The net position of business-type activities was \$368.6 million at June 30, 2021, an increase of \$19.7 million from last fiscal year. Program revenues totaled \$100.4 million, while program expenses totaled \$77.5 million.

As the *Revenue by Source* chart indicates, charges for utility services account for 98.9% 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

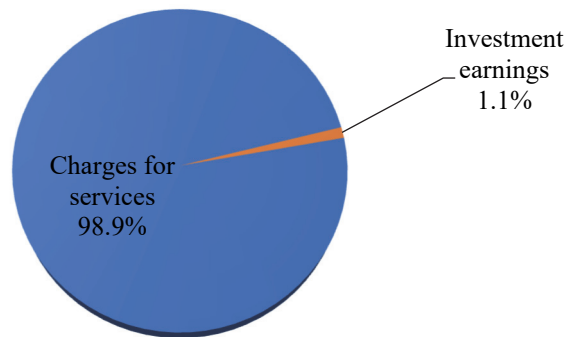
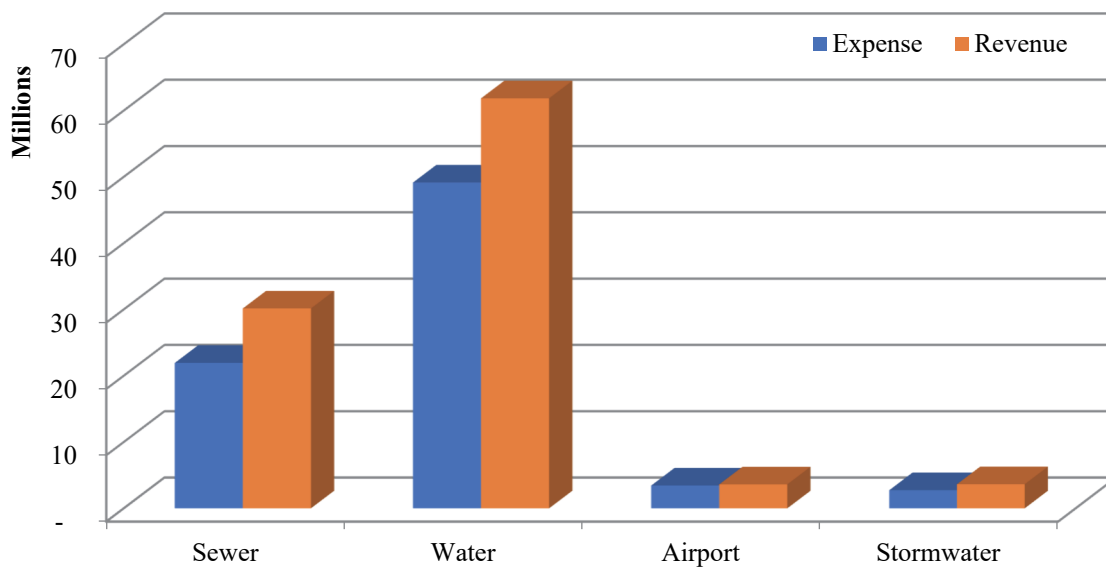


Chart 4 – Expenses and Program Revenues – Business-type Activities



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 \$10.1 million, water increased by \$11.6 million, and Stormwater decreased by \$1.6 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 \$0.04 million. The Recycling Fund experienced a decrease in net position by \$0.4 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 2021, the City's governmental funds reported combined ending fund balances of \$198.3 million, an increase of \$33.2 million over prior year. Among the City's major governmental funds, increases of \$5.3 million and \$8.2 million to the General Fund and Measure C Fund, respectively, are mostly offset by a reduction of \$13.1 million to the General Capital Projects Fund. The net increase to the combined ending fund balances is due primarily to changes in fund balance for the City's non-major funds. These include increases of \$13.8 million to the Route 238 Improvement fund; \$11.6 million to the Affordable Housing fund; \$3.4 million to the Measure BB fund; \$2.1 million to the Park Dedication Ordinance fund; and a net increase of \$1.8 million to other non-major governmental funds. The change in the Route 238 Improvement fund stemmed from the sale of City-owned parcels, while the increase to the Affordable Housing fund is due to the implementation of GASB Statement No. 84. Approximately \$166.9 million of the fund balance or 84.2% represents Non-Spendable, Restricted, and Assigned fund balances; and \$31.4 million or 15.8% 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 77.7% of the total governmental revenues and 74.5% 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 2021, the General Fund's Unassigned fund balance was \$31.4 million (exclusive of Measure C), an increase of \$6.1 million over the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$66.2 million, an increase of \$13.5 million from the prior fiscal year. This difference is related to federal Covid-19 response funding, along with significant increases to Real Property Transfer, Property, and Utility User Tax revenues. In addition to federal funding, the General Fund's fund balance was bolstered by higher-than-expected property, sales, and real property transfer tax revenues.

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 16.6% of total General Fund expenditures of \$188.5 million (including Transfers Out).

General Fund Budgetary Highlights. Fiscal year 2021 ended with a Net Change in Fund Balance of \$13.5 million (GAAP Basis).

Table 3 – Fiscal Year 2021 General Fund Budget Summary *(in thousands)*

<i>(reflected in thousands)</i>	A 2021 Adopted	B 2021 Adjusted	C 2021 Actual	Variance (C-B)	Variance %
Revenues	\$177,583	\$182,888	\$199,885	\$16,997	8.8%
Expenditures	165,108	171,157	172,389	1,232	0.7%
Transfers In/(Out)	(10,448)	(13,040)	(13,988)	(948)	7.3%
Net Change in Fund Balance (Budget Basis)	\$2,027	\$(1,310)	\$13,508	\$14,818	

The net change in fund balance for fiscal year 2021 based on actual performance (column C) is positive \$13.5 million. The net change in fund balance is primarily attributed to federal pandemic response funding. This fund balance summary on page 26 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 positive \$13.5 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, 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.

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 2021, the unrestricted net position of the Sewer and Water Funds amounted to \$111.4 and \$102.2 million, respectively. Sewer net position increased by \$10.1 million and Water net position increased to \$11.5 million. This increase in net position for Sewer is significantly less than in fiscal year 2020, in which Sewer and Water net position increased \$14.9 million and \$11.3 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 2021 the fund ended with a net position of \$7.9 million, an increase of \$2.2 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, 2021, the City's investments in capital assets for its governmental and business-type activities are \$621.2 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 1.6%, 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	
	2021	2020	2021	2020	2021	2020
Land	\$19.0	\$19.0	\$4.8	\$4.8	\$23.7	\$23.8
Construction in progress	42.6	47.6	19.7	48.0	62.3	95.6
Buildings	71.9	73.7	14.3	14.9	86.2	88.6
Improvements other than buildings	47.1	18.1	-	-	47.1	18.1
Machinery and equipment	23.0	23.3	54.7	26.4	77.6	49.7
Street infrastructure	229.8	239.3	-	-	229.8	239.3
Sewer infrastructure	-	-	57.8	61.5	57.8	61.5
Water infrastructure	-	-	28.8	26.7	28.8	26.7
Airport infrastructure	-	-	7.9	8.2	7.9	8.2
Total	\$433.2	\$420.9	\$188.0	\$190.5	\$621.2	\$611.4

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration. At the end of fiscal year 2021, the City had total bonded debt outstanding of \$110.6 million as presented in Table 5. This represents a decrease of \$3.8 million versus the prior year. Of the total outstanding bond debt, \$63.0 million represents certificates of participation debt for Civic Center Project (City Hall) and 21st Century Library; \$0.8 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$37.2 million represents State Water Board financing for a water pollution control facility; \$6.0 million private placement lease; \$3.5 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 Activities		Total	
	2021	2020	2021	2020	2021	2020
Certificates of Participation	\$63.0	\$66.4	\$-	\$-	\$63.0	\$66.4
Lease Revenue Bonds	-	0.1	-	-	-	0.1
Capital Lease Obligations	0.8	1.3	-	-	0.8	1.3
Private Placement Loan	3.4	3.7	2.6	3.2	6.0	7.0
State Water Resources Control Board Loan	-	-	37.2	35.6	37.2	35.6
State Energy Resources Conservation	0.7	0.9	2.9	3.2	3.5	4.1
Total Long-Term Debt	\$67.9	\$72.4	\$42.6	\$42.0	\$110.6	\$114.4

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 8 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, 2021, a total of \$4.9 million in special assessment district debt was outstanding by four special assessment districts. (Further detail regarding the City debt can be found in Note 8 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. 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.

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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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$221,268,145	\$235,165,574	\$456,433,719
Cash, cash equivalents, and investments with fiscal agents (Note 2)	8,787,854	2	8,787,856
Accounts receivable, net	10,798,235	20,022,374	30,820,609
Due from other governments	16,075,039	9,989	16,085,028
Interest receivable	166,325		166,325
Internal balances (Note 4)	(3,015,479)	3,015,479	
Loans receivable (Note 3)	28,646,290		28,646,290
Long-term loans to the Private Purpose Trust Fund (Note 19)	8,339,979		8,339,979
Land held for resale (Note 1)	6,838,652		6,838,652
Deposits, parts, supplies and other	5,981	4,010,073	4,016,054
Investment in East Bay Dischargers Authority (Note 16)		10,382,103	10,382,103
Capital assets (Note 5):			
Land	18,950,817	4,757,492	23,708,309
Construction in progress	42,587,866	19,699,013	62,286,879
Depreciable capital assets, net	371,673,225	163,524,565	535,197,790
Total assets	<u>731,122,929</u>	<u>460,586,664</u>	<u>1,191,709,593</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 12)	54,761,870	2,766,157	57,528,027
Related to OPEB (Note 14)	7,337,848	1,302,085	8,639,933
Deferred loss on refunding (Note 6)	562,329		562,329
Total deferred outflow of resources	<u>62,662,047</u>	<u>4,068,242</u>	<u>66,730,289</u>
LIABILITIES:			
Accounts payable	10,172,040	5,136,187	15,308,227
Accrued interest	450,388	337,445	787,833
Accrued liabilities	28,534,872	613,539	29,148,411
Unearned revenue	22,593,818	669,565	23,263,383
Refundable deposits	5,465,150	3,240,813	8,705,963
Accrued reclamation costs (Note 10):			
Due within one year		125,000	125,000
Compensated absences (Note 1):			
Due within one year	6,663,283	789,459	7,452,742
Due in more than one year	3,409,925	859,764	4,269,689
Long-term debt (Note 6):			
Due within one year	5,770,495	4,122,587	9,893,082
Due in more than one year	73,621,593	38,523,485	112,145,078
Net pension liabilities, due in more than one year (Note 12)	441,111,191	25,957,721	467,068,912
Net OPEB liability, due in more than one year (Note 14)	57,292,730	10,166,460	67,459,190
Total liabilities	<u>655,085,485</u>	<u>90,542,025</u>	<u>745,627,510</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions (Note 12)	1,363,944	44,609	1,408,553
Related to OPEB (Note 14)	30,980,603	5,497,436	36,478,039
Total deferred inflow of resources	<u>32,344,547</u>	<u>5,542,045</u>	<u>37,886,592</u>
NET POSITION (Note 9):			
Net investments in capital assets	357,492,270	145,334,998	502,827,268
Restricted for:			
Public safety	510,994		510,994
Debt service	7,311,682	2	7,311,684
Public works and transportation	34,817,120		34,817,120
Planning and building	34,637,432		34,637,432
Economic development	40,387,423		40,387,423
Total restricted net position	<u>117,664,651</u>	<u>2</u>	<u>117,664,653</u>
Unrestricted	<u>(368,801,977)</u>	<u>223,235,836</u>	<u>(145,566,141)</u>
Total net position	<u>\$106,354,944</u>	<u>\$368,570,836</u>	<u>\$474,925,780</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$24,801,183	\$2,491,348	\$10,160,132	\$5,395,405
Public safety	139,350,883	3,537,739	5,349,174	
Public works and transportation	26,493,672	5,505,441	13,759,190	
Library and community services	11,444,270	3,919,571	249,056	
Economic development	2,981,340	520,189		
Planning and building	10,430,293	5,751,306		
Maintenance services	12,442,998	1,682,246		
Interest on long-term debt	2,551,130			
Total Governmental Activities	230,495,769	23,407,840	29,517,552	5,395,405
BUSINESS-TYPE ACTIVITIES:				
Sewer	21,928,468	30,144,384		
Water	49,135,479	61,842,042		
Airport	3,428,349	3,610,821		
Stormwater	2,727,484	3,633,200		
Recycling	283,369	42,546		
Total Business-type Activities	77,503,149	99,272,993		
Total	\$307,998,918	\$122,680,833	\$29,517,552	\$5,395,405

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
Gain on sale of land held
Gain on sale of capital assets
Miscellaneous
TRANSFERS (Note 4)
Total General Revenues And Transfers

CHANGE IN NET POSITION

BEGINNING NET POSITION, AS RESTATED (Note 1)

ENDING NET POSITION

See accompanying notes to basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$12,149,703)		(\$12,149,703)
(130,463,970)		(130,463,970)
(1,833,636)		(1,833,636)
(7,275,643)		(7,275,643)
(2,461,151)		(2,461,151)
(4,678,987)		(4,678,987)
(10,760,752)		(10,760,752)
(2,551,130)		(2,551,130)
<u>(172,174,972)</u>		<u>(172,174,972)</u>
	\$8,215,916	8,215,916
	12,706,563	12,706,563
	182,472	182,472
	905,716	905,716
	<u>(240,823)</u>	<u>(240,823)</u>
	21,769,844	21,769,844
<u>(172,174,972)</u>	<u>21,769,844</u>	<u>(150,405,128)</u>
62,227,460		62,227,460
58,652,032		58,652,032
17,267,592		17,267,592
17,120,032		17,120,032
10,624,234		10,624,234
4,365,441		4,365,441
2,070,754		2,070,754
8,497,353		8,497,353
117,578		117,578
1,124,743	1,081,381	2,206,124
3,390,000		3,390,000
82,854		82,854
18,633,107		18,633,107
3,185,444	<u>(3,185,444)</u>	
<u>207,358,624</u>	<u>(2,104,063)</u>	<u>205,254,561</u>
35,183,652	19,665,781	54,849,433
<u>71,171,292</u>	<u>348,905,055</u>	<u>420,076,347</u>
<u>\$106,354,944</u>	<u>\$368,570,836</u>	<u>\$474,925,780</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 2021. 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.

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, 2021

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$82,193,745	\$2,150,835	\$8,978,503
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	2,273,665		
Due from other governments	13,184,060		
Interest receivable		33,829	
Due from other funds (Note 4)	1,790,879		
Loans receivable (Note 3)		12,701,755	9,187,981
Long-term loans to the Private Purpose Trust Fund (Note 19)	4,436,442		3,876,516
Land held for resale (Note 1)			707,539
Deposits, parts, supplies and other	5,981		
Total Assets	<u>\$103,884,772</u>	<u>\$14,886,419</u>	<u>\$22,750,539</u>
LIABILITIES:			
Accounts payable	\$2,987,403	\$49,752	\$572
Accrued liabilities	7,540,612		2,952
Due to other funds (Note 4)			
Long-term interfund payables (Note 4)	3,015,479		
Unearned revenue	19,232,997		
Refundable deposits	4,916,874		
Total Liabilities	<u>37,693,365</u>	<u>49,752</u>	<u>3,524</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue			
Total Deferred Inflows of Resources			
FUND BALANCES (Note 9):			
Nonspendable	4,442,423		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		14,836,667	
Economic development			22,747,015
Debt service			
Assigned	30,317,921		
Unassigned	31,431,063		
Total Fund Balances	<u>66,191,407</u>	<u>14,836,667</u>	<u>22,747,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$103,884,772</u>	<u>\$14,886,419</u>	<u>\$22,750,539</u>

See accompanying notes to basic financial statements

* Includes balances related to the City's Measure C District Sales Tax.

Capital Projects Fund		
General Capital Projects	Other Governmental Funds	Total Governmental Funds
\$6,471,794	\$68,315,837	\$168,110,714
8,787,854		8,787,854
6,266,857	1,667,918	10,208,440
86,218	2,712,103	15,982,381
64,281	68,215	166,325
		1,790,879
	6,756,554	28,646,290
		8,312,958
	6,131,113	6,838,652
		5,981
<u>\$21,677,004</u>	<u>\$85,651,740</u>	<u>\$248,850,474</u>
\$3,794,401	\$1,416,760	\$8,248,888
385	193,974	7,737,923
	1,790,879	1,790,879
		3,015,479
2,937,983	394,949	22,565,929
89,855	453,982	5,460,711
<u>6,822,624</u>	<u>4,250,544</u>	<u>48,819,809</u>
399,541	1,320,227	1,719,768
<u>399,541</u>	<u>1,320,227</u>	<u>1,719,768</u>
		4,442,423
	510,994	510,994
	34,817,120	34,817,120
	19,800,765	34,637,432
	17,640,408	40,387,423
	7,311,682	7,311,682
14,454,839		44,772,760
		31,431,063
<u>14,454,839</u>	<u>80,080,969</u>	<u>198,310,897</u>
<u>\$21,677,004</u>	<u>\$85,651,740</u>	<u>\$248,850,474</u>

CITY OF HAYWARD
GOVERNMENTAL FUNDS
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Total Fund Balances reported on the governmental funds balance sheet	\$198,310,897
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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	18,578,069
Construction in progress	39,936,898
Depreciable capital assets, net	352,049,196

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	53,157,431
Accounts receivable	589,795
Due from other governments	92,658
Long-term loans to the Private Purpose Trust Fund	27,021
Land	372,748
Construction in progress	2,650,968
Depreciable capital assets, net	19,624,029
Accounts payable	(1,923,152)
Accrued interest	(5,192)
Accrued liabilities	(20,796,949)
Unearned revenue	(27,889)
Refundable deposits	(4,439)
Compensated absences	(721,658)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,850,406)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(5,464,769)
Long-term debt	(827,275)

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	1,719,768
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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	(78,564,813)
Amortized deferred loss on refunding	562,329
Interest payable	(445,196)
Compensated absences	(9,351,550)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(378,862,859)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(75,470,716)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$106,354,944</u></u>
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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, 2021

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
REVENUES:			
Property taxes	\$61,196,409		
Sales taxes	58,652,032		
Utility users tax	17,267,592		
Other taxes	35,277,539		
Licenses and permits	5,439,030		
Fines and forfeitures	2,194,569		
Special assessments			
Investment income	151,835	\$37,827	\$70,718
Rental income	1,723		
Intergovernmental	10,881,724	949,046	
Fees and charges for services	7,420,237		2,968
Other revenue	1,402,183	8,537	
Total Revenues	<u>199,884,873</u>	<u>995,410</u>	<u>73,686</u>
EXPENDITURES:			
Current:			
General government	13,971,584		
Public safety	128,375,921	182,196	
Public works and transportation	4,085,154		
Library and community services	7,587,444	179,684	
Economic development		575,340	103,341
Planning and building	8,712,707		
Maintenance services	9,656,198		
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	<u>172,389,008</u>	<u>937,220</u>	<u>103,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,495,865</u>	<u>58,190</u>	<u>(29,655)</u>
OTHER FINANCING SOURCES (USES):			
Gain on sale of land held			
Transfers in (Note 4)	2,694,046		
Transfers (out) (Note 4)	<u>(16,681,679)</u>		<u>(8,159)</u>
Total Other Financing Sources (Uses)	<u>(13,987,633)</u>		<u>(8,159)</u>
CHANGE IN FUND BALANCES	13,508,232	58,190	(37,814)
BEGINNING FUND BALANCES, AS RESTATED (Note 1)	<u>52,683,175</u>	<u>14,778,477</u>	<u>22,784,829</u>
ENDING FUND BALANCES	<u><u>\$66,191,407</u></u>	<u><u>\$14,836,667</u></u>	<u><u>\$22,747,015</u></u>

See accompanying notes to basic financial statements

* Includes revenue and expenditures related to the City's Measure C District Sales Tax.

Capital Projects Fund		
General Capital Projects	Other Governmental Funds	Total Governmental Funds
		\$61,196,409
		58,652,032
		17,267,592
\$830,605	\$564,498	36,672,642
		5,439,030
		2,194,569
	1,408,903	1,408,903
35,574	807,781	1,103,735
	624,258	625,981
5,184,103	21,511,185	38,526,058
	2,289,758	9,712,963
6,506,193	16,461,791	24,378,704
12,556,475	43,668,174	257,178,618
		13,971,584
	919,655	129,477,772
44,072	4,069,040	8,198,266
	1,356,861	9,123,989
	1,671,663	2,350,344
		8,712,707
	1,096,327	10,752,525
26,559,107	14,098,783	40,657,890
	5,416,028	5,416,028
	2,795,772	2,795,772
26,603,179	31,424,129	231,456,877
(14,046,704)	12,244,045	25,721,741
	3,390,000	3,390,000
965,000	8,633,043	12,292,089
	(1,119,667)	(17,809,505)
965,000	10,903,376	(2,127,416)
(13,081,704)	23,147,421	23,594,325
27,536,543	56,933,548	174,716,572
\$14,454,839	\$80,080,969	\$198,310,897

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, 2021

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	\$23,594,325
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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	40,657,890
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Non-capitalized capital outlay expenditures and net retirements were reclassified to various governmental activities	(16,025,372)
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Depreciation expense is deducted from fund balance

(Depreciation expense is net of internal service fund depreciation of \$2,993,211 which has already been allocated to service funds)	(13,694,707)
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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.

Repayment of debt principal and amortization of bond premiums and deferred loss are added back to fund balance	5,701,428
Interest payable	(13,237)

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	1,633,146
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Compensated absences	(1,599,560)
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Net pension liabilities and pension-related deferred outflows/inflows of resources	(18,932,098)
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Net OPEB liabilities and OPEB-related deferred outflows/inflows of resources	7,837,898
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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	6,023,939
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$35,183,652</u>
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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 2021. 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.

CITY OF HAYWARD
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	Funds
ASSETS:					
Current Assets:					
Cash and investments (Note 2)	\$110,952,654	\$109,521,252	\$14,691,668	\$235,165,574	\$53,157,431
Cash and investments with fiscal agents (Note 2)	1	1		2	
Accounts receivable, net	5,603,829	12,272,456	2,146,089	20,022,374	589,795
Due from other governments			9,989	9,989	92,658
Deposits, parts, supplies and other		1,194,157		1,194,157	
Due from other funds (Note 4)	136,051			136,051	
Total Current Assets	116,692,535	122,987,866	16,847,746	256,528,147	53,839,884
Noncurrent Assets:					
Long-term interfund receivables (Note 4)		3,015,479		3,015,479	
Long-term loans to the Private Purpose Trust Fund (Note 19)					27,021
Deposits, parts, supplies and other	2,802,998		12,918	2,815,916	
Investment in East Bay Dischargers Authority (Note 16)	10,382,103			10,382,103	
Capital assets (Note 5):					
Land	1,830,143	2,683,047	244,302	4,757,492	372,748
Construction in progress	5,085,571	14,055,239	558,203	19,699,013	2,650,968
Depreciable capital assets, net	110,664,618	40,646,811	12,213,136	163,524,565	19,624,029
Total Noncurrent Assets	130,765,433	60,400,576	13,028,559	204,194,568	22,674,766
Total Assets	247,457,968	183,388,442	29,876,305	460,722,715	76,514,650
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions (Note 12)	1,136,199	1,158,139	471,819	2,766,157	1,053,598
Related to OPEB (Note 14)	534,569	544,571	222,945	1,302,085	495,452
Total Deferred Outflows of Resources	1,670,768	1,702,710	694,764	4,068,242	1,549,050
LIABILITIES:					
Current Liabilities:					
Accounts payable	1,437,253	3,544,258	154,676	5,136,187	1,923,152
Accrued interest	325,412	8,199	3,834	337,445	5,192
Accrued liabilities	326,616	196,454	90,469	613,539	20,796,949
Unearned revenue	229,565	440,000		669,565	27,889
Refundable deposits		3,126,873	113,940	3,240,813	4,439
Due to other funds (Note 4)			136,051	136,051	
Compensated absences, due within one year (Note 1)	306,077	370,849	112,533	789,459	477,367
Accrued reclamation costs (Note 10)	125,000			125,000	
Long-term debt, due within one year (Note 6)	3,492,587	487,444	142,556	4,122,587	220,936
Total Current Liabilities	6,242,510	8,174,077	754,059	15,170,646	23,455,924
Noncurrent Liabilities:					
Compensated absences, due in more than one year (Note 1)	333,335	403,875	122,554	859,764	244,291
Net pension liabilities, due in more than one year (Note 12)	10,662,127	10,868,057	4,427,537	25,957,721	9,887,016
Net OPEB liability, due in more than one year (Note 14)	4,173,825	4,251,918	1,740,717	10,166,460	3,868,408
Long-term debt, due in more than one year (Note 6)	36,523,485	1,555,726	444,274	38,523,485	606,339
Total Noncurrent Liabilities	51,692,772	17,079,576	6,735,082	75,507,430	14,606,054
Total Liabilities	57,935,282	25,253,653	7,489,141	90,678,076	38,061,978
DEFERRED INFLOWS OF RESOURCES:					
Related to pensions (Note 12)	18,325	18,899	7,385	44,609	16,988
Related to OPEB (Note 14)	2,256,964	2,299,192	941,280	5,497,436	2,091,813
Total Deferred Inflows of Resources	2,275,289	2,318,091	948,665	5,542,045	2,108,801
NET POSITION (Note 9):					
Net investments in capital assets	77,564,260	55,341,927	12,428,811	145,334,998	21,820,470
Restricted for debt service	1	1		2	
Unrestricted	111,353,904	102,177,480	9,704,452	223,235,836	16,072,451
Total Net Position	\$188,918,165	\$157,519,408	\$22,133,263	\$368,570,836	\$37,892,921

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, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
OPERATING REVENUES:					
Charges for services	\$29,100,056	\$15,441,391	\$7,023,549	\$51,564,996	\$30,034,972
Sale of water		46,260,314		46,260,314	
Miscellaneous	1,044,328	140,337	263,018	1,447,683	2,140,555
Total Operating Revenues	30,144,384	61,842,042	7,286,567	99,272,993	32,175,527
OPERATING EXPENSES:					
Salaries and related expenses	8,804,152	8,508,922	3,616,088	20,929,162	9,802,028
Materials, supplies and services	6,089,429	4,768,463	1,596,705	12,454,597	10,235,487
Repairs and maintenance	795,021	1,268,231	249,480	2,312,732	3,848,874
Water purchases		32,130,463		32,130,463	
Self-funded insurance expense					8,228,815
Depreciation (Note 5)	5,576,099	2,385,415	976,929	8,938,443	2,993,211
Total Operating Expenses	21,264,701	49,061,494	6,439,202	76,765,397	35,108,415
Operating Income (Loss)	8,879,683	12,780,548	847,365	22,507,596	(2,932,888)
NONOPERATING REVENUES (EXPENSES):					
Investment income	482,896	532,293	66,192	1,081,381	209,359
Interest (expense)	(663,767)	(73,985)		(737,752)	(27,521)
Gain on sale of capital assets					72,129
Net Nonoperating Revenues (Expenses)	(180,871)	458,308	66,192	343,629	253,967
Income (Loss) Before Contributions and Transfers	8,698,812	13,238,856	913,557	22,851,225	(2,678,921)
TRANSFERS					
Transfers in (Note 4)	3,115,520	547,741	600,000	4,263,261	8,954,428
Transfers (out) (Note 4)	(1,667,760)	(2,215,659)	(3,565,286)	(7,448,705)	(251,568)
Net Transfers	1,447,760	(1,667,918)	(2,965,286)	(3,185,444)	8,702,860
CHANGE IN NET POSITION	10,146,572	11,570,938	(2,051,729)	19,665,781	6,023,939
BEGINNING NET POSITION	178,771,593	145,948,470	24,184,992	348,905,055	31,868,982
ENDING NET POSITION	\$188,918,165	\$157,519,408	\$22,133,263	\$368,570,836	\$37,892,921

See accompanying notes to basic financial statements

CITY OF HAYWARD
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$31,714,882	\$61,520,171	\$7,277,296	\$100,512,349	\$31,975,318
Payments to suppliers	(5,935,361)	(37,544,122)	(1,741,523)	(45,221,006)	(22,776,498)
Payments to employees	(8,910,706)	(8,076,751)	(3,706,755)	(20,694,212)	(8,410,014)
Net Cash Flows From Operating Activities	<u>16,868,815</u>	<u>15,899,298</u>	<u>1,829,018</u>	<u>34,597,131</u>	<u>788,806</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:					
Interfund receipts (payments)	(136,051)	76,266	136,051	76,266	
Transfers in	3,115,520	547,741	600,000	4,263,261	8,954,428
Transfers (out)	<u>(1,667,760)</u>	<u>(2,215,659)</u>	<u>(3,565,286)</u>	<u>(7,448,705)</u>	<u>(251,568)</u>
Net Cash Flows From Noncapital and Related Financing Activities	<u>1,311,709</u>	<u>(1,591,652)</u>	<u>(2,829,235)</u>	<u>(3,109,178)</u>	<u>8,702,860</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(5,410,841)	(580,922)	(463,653)	(6,455,416)	(4,347,484)
Proceeds from sale of capital assets					82,854
Proceeds from issuance of debt	4,701,217			4,701,217	
Principal payments on capital debt	(3,471,290)	(479,467)	(135,533)	(4,086,290)	(426,807)
Interest paid	<u>(587,872)</u>	<u>(76,115)</u>	<u>(683)</u>	<u>(664,670)</u>	<u>(29,801)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(4,768,786)</u>	<u>(1,136,504)</u>	<u>(599,869)</u>	<u>(6,505,159)</u>	<u>(4,721,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	<u>482,895</u>	<u>820,112</u>	<u>66,192</u>	<u>1,369,199</u>	<u>306,398</u>
Net Cash Flows From Investing Activities	<u>482,895</u>	<u>820,112</u>	<u>66,192</u>	<u>1,369,199</u>	<u>306,398</u>
NET CASH FLOWS	13,894,633	13,991,254	(1,533,894)	26,351,993	5,076,826
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	<u>97,058,021</u>	<u>95,529,998</u>	<u>16,225,562</u>	<u>208,813,581</u>	<u>48,080,605</u>
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$110,952,654</u>	<u>\$109,521,252</u>	<u>\$14,691,668</u>	<u>\$235,165,574</u>	<u>\$53,157,431</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$8,879,683	\$12,780,548	\$847,365	\$22,507,596	(\$2,932,888)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	5,576,099	2,385,415	976,929	8,938,443	2,993,211
Change in assets and liabilities:					
Receivables, net	5,406	(416,321)	(81,420)	(492,335)	241,059
Due from other governments	1,554,592		6,923	1,561,515	(92,658)
Parts and supplies	331,506	148,942		480,448	
Other assets		575,362		575,362	
Accounts payable and other accrued expenses	617,583	(101,269)	100,061	616,375	(463,322)
Due to retirement system	122,177	815,231	194,271	1,131,679	490,182
Due to OPEB	(439,599)	(549,479)	(262,511)	(1,251,589)	710,221
Compensated absences	210,868	166,419	42,799	420,086	191,611
Refundable deposits		85,091	4,601	89,692	
Unearned revenue	<u>10,500</u>	<u>9,359</u>		<u>19,859</u>	<u>(348,610)</u>
Net Cash Flows From Operating Activities	<u>\$16,868,815</u>	<u>\$15,899,298</u>	<u>\$1,829,018</u>	<u>\$34,597,131</u>	<u>\$788,806</u>

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, 2021

	Private Purpose Trust Fund	Custodial Funds
CURRENT ASSETS:		
Cash and investments (Note 2)	\$3,241,624	\$4,725,081
Cash and investments with fiscal agents (Note 2)	20	353,843
Accounts receivable, net	453,912	22,300
Due from other governments		109,233
Deposits, parts, supplies and other		201,524
	<hr/>	<hr/>
Total Current Assets	3,695,556	5,411,981
	<hr/>	<hr/>
NONCURRENT ASSETS:		
Loans receivable (Note 19)	24,509,337	
Land held for resale	3,483,031	
Capital assets (Note 19):		
Land	4,430,516	
Depreciable capital assets, net	9,487,469	
	<hr/>	<hr/>
Total Noncurrent Assets	41,910,353	
	<hr/>	<hr/>
Total Assets	45,605,909	5,411,981
	<hr/>	<hr/>
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	31,703	196,631
Accrued interest	423,933	
Deferred revenue	63,165	124,235
Refundable deposits		30,497
Long-term debt, due in less than one year (Note 19)	1,975,000	
	<hr/>	<hr/>
Total Current Liabilities	2,493,801	351,363
	<hr/>	<hr/>
NONCURRENT LIABILITIES (Note 19):		
Long-term loans payable, due in more than one year	8,339,979	
Long-term debt, due in more than one year	26,915,126	
	<hr/>	<hr/>
Total Noncurrent Liabilities	35,255,105	
	<hr/>	<hr/>
Total Liabilities	37,748,906	351,363
	<hr/>	<hr/>
NET POSITION		
Restricted for:		
Organizations and other governments	7,857,003	952,480
Bondholders		4,108,138
	<hr/>	<hr/>
Total Net Position	\$7,857,003	\$5,060,618
	<hr/>	<hr/>

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax	\$4,020,771	\$1,116,326
Intergovernmental revenue		262,872
Other revenue		64,270
Investment income	25	18,257
	<u>4,020,796</u>	<u>1,461,725</u>
Total additions		
	<u>4,020,796</u>	<u>1,461,725</u>
DEDUCTIONS		
Maintenance services	331,740	503,826
Contractual services		203,786
Payments to bondholders		349,366
Depreciation expense (Note 19)	314,131	
Interest and fiscal charges	1,132,498	217,330
	<u>1,778,369</u>	<u>1,274,308</u>
Total deductions		
	<u>1,778,369</u>	<u>1,274,308</u>
Net change in position	2,242,427	187,417
Net position - beginning, as restated (Note 1)	5,614,576	4,873,201
	<u>5,614,576</u>	<u>4,873,201</u>
Net position - ending	<u>\$7,857,003</u>	<u>\$5,060,618</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, 2021

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, 2021

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 16).

Complete financial statements of the individual component units and the joint venture can be obtained from:

City of Hayward
Finance Department, 3rd 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, 2021

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 – 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.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 statement, 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, 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 capital 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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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 position or fund balance 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 position or fund balance 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, 2021, the General Fund's expenditures exceeded the budgeted appropriations by \$1,231,678, due largely to excess overtime costs related to the Fire department employees assisting with the wildfires and COVID 19- related expenditures.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021 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, 2021

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, 2021:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$8,282,037	\$1,229,137	\$9,511,174
Additions	7,269,620	1,008,456	8,278,076
Payments	(5,478,449)	(588,370)	(6,066,819)
Ending Balance	<u>\$10,073,208</u>	<u>\$1,649,223</u>	<u>\$11,722,431</u>
Current Portion	<u>\$6,663,283</u>	<u>\$789,459</u>	<u>\$7,452,742</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 6), 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 8). 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, 2021

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.

New Governmental Accounting Standards Board Statement Pronouncements

GASB 84 – Fiduciary Activities - In January 2017, GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of this Statement were implemented during fiscal year 2021. As part of the implementation of this Statement, it was determined that the Affordable Housing Agency Fund should be accounted for and reported as a Special Revenue Fund, which required the restatement of beginning net position of governmental-activities and the fund in the amount of \$9,631,863. In addition, it was determined that the Local Improvement Districts Agency Funds, South Hayward BART Parking District JPA Agency Fund, and Other Agency Funds be accounted for and reported as Custodial Funds, which required the restatements of beginning net position of the funds in the amounts of \$4,039,848, \$935,000, and (\$101,647), respectively, totaling \$4,873,201.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, the City early implemented **GASB No. 98 – The Annual Comprehensive Financial Report**, which changed the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

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, 2021, 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, 2021, 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 Agency agreements.

Statement of Net Position

Cash, cash equivalents, and investments	\$456,433,719
Cash, cash equivalents, and investments with fiscal agents	8,787,856

Private Purpose Trust Fund

Cash and investments	3,241,624
Cash and investments with fiscal agents	20

Custodial Funds

Cash and investments	4,725,081
Cash and investments with fiscal agents	353,843

Total Cash and Investments	\$473,542,143
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CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2021 consisted of the following:

Cash in bank	\$133,680,345
Cash on hand (Petty Cash)	3,175
Investments	339,858,623
	<hr/>
Total Cash and Investments	<u>\$473,542,143</u>

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	100%	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	AAAm	20%	10%
Alameda County Investment Pool	None	None	10%	10%
Shares of Beneficial Interest Issued by a JPA	None	AAAm	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, 2021

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, 2021

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, 2021:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value:			
U.S. Treasury Notes	\$41,722,495		\$41,722,495
U.S. Agency Securities		\$45,279,614	45,279,614
Medium-Term Notes		12,081,602	12,081,602
Municipal Bonds		16,124,589	16,124,589
Supranationals		3,569,404	3,569,404
Asset-Backed Securities		5,610,122	5,610,122
Total Investments at Fair Value	<u>\$41,722,495</u>	<u>\$82,665,331</u>	124,387,826
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			9,141,717
California Local Agency Investment Fund			201,377,786
Certificates of Deposit			<u>4,951,294</u>
Total Investments			<u>\$339,858,623</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, 2021

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		\$15,767,414	\$25,955,081	\$41,722,495
U.S. Agency Securities	\$5,390,567	25,705,815	14,183,232	45,279,614
Money Market Mutual Funds	9,141,717			9,141,717
California Local Agency Investment Fund	201,377,786			201,377,786
Medium-Term Notes		1,706,035	10,375,567	12,081,602
Municipal Bonds	1,999,560	7,308,339	6,816,690	16,124,589
Supranationals		2,198,353	1,371,051	3,569,404
Certificates of Deposit	1,582,190	3,369,104		4,951,294
Asset-Backed Securities		833,134	4,776,988	5,610,122
Total Investments	<u>\$219,491,820</u>	<u>\$56,888,194</u>	<u>\$63,478,609</u>	<u>339,858,623</u>
Cash in Banks				133,680,345
Cash on Hand (Petty Cash)				<u>3,175</u>
Total Cash				<u>133,683,520</u>
Total Cash and Investments				<u>\$473,542,143</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, 2021, these investments had an average maturity of 291 days.

Money market funds are available for withdrawal on demand and at June 30, 2021, had an average maturity of 1 day.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAA/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Notes	\$41,722,495					\$41,722,495
U.S. Agency Securities	45,279,614					45,279,614
Money Market Mutual Funds	9,141,717					9,141,717
California Local Agency Investment Fund					\$201,377,786	201,377,786
Medium-Term Notes		\$624,026	\$11,457,576			12,081,602
Municipal Bonds	3,237,840	11,094,279			1,792,470	16,124,589
Supranationals	3,569,404					3,569,404
Certificates of Deposit		2,891,872	477,232	\$1,582,190		4,951,294
Asset-Backed Securities	5,610,122					5,610,122
Total Investments	<u>\$108,561,192</u>	<u>\$14,610,177</u>	<u>\$11,934,808</u>	<u>\$1,582,190</u>	<u>\$203,170,256</u>	<u>\$339,858,623</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, 2021, the following investments were subjected to custodial credit risk on the entity-wide level.

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Company	U.S. Agency Securities	\$26,349,372

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, 2021

3. LOANS RECEIVABLES (Continued)

Related Party Loan – The City entered into a loan agreement with the City Manager on June 30, 2017, to provide the City Manager a long-term loan of \$616,599 to finance the acquisition of the City Manager’s personal residence located within the City. The loan is secured by a deed of trust on the property. The loan was funded by the City’s Water Enterprise Fund. The loan is due upon sale of the property, within twelve months after the termination of the City Manager’s employment with the City, or 30 years from the date of the loan agreement execution, whichever occurs first. The loan bears an interest rate at 2.38% for the first five years of the loan. Interest thereafter will be set annually and shall accrue at a simple rate equal to the Yield at Market achieved by the City’s Managed Portfolio for the quarter ended on June 30 of the previous calendar year, plus 100 basis points or 1%, but shall not exceed 6%. At June 30, 2021, the loan was paid off.

4. 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, 2021 were as follows:

FROM FUND:	TO FUND:	AMOUNT:
General Fund	General Capital Projects Fund	\$215,000 A
	Non-Major Governmental Funds	8,618,043 B
	Water Enterprise Fund	137,741 B
	Internal Service Funds	7,710,895 B
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Internal Service Funds	4,262 D
Non-Major Governmental Funds	General Fund	327,050 B
	General Capital Projects Fund	750,000 A
	Internal Service Funds	42,617 D
Sewer Enterprise Fund	General Fund	823,783 C
	Water Enterprise Fund	410,000 B
	Internal Service Funds	433,977 D
Water Enterprise Fund	General Fund	1,229,099 C
	Non-Major Enterprise Funds	600,000 A
	Internal Service Funds	386,560 D
Non-Major Enterprise Funds	General Fund	310,217 C
	Non-Major Governmental Funds	15,000 A
	Sewer Enterprise Fund	3,115,520 A
	Internal Service Funds	124,549 D
Internal Service Funds	Internal Service Funds	251,568 B
		<u>\$25,509,778</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, 2021

4. 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, 2021 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	\$1,790,879
Sewer Enterprise Fund	Non-Major Enterprise Funds	136,051
		<u>\$1,926,930</u>

Long-Term Interfund Advances – At June 30, 2021, 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		\$3,015,479
Water Enterprise Fund	\$3,015,479	
Total	<u>\$3,015,479</u>	<u>\$3,015,479</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 1st and June 1st. As of June 30, 2021, the outstanding loan balance was \$3,015,479.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

5. 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.

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 1st 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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

5. CAPITAL ASSETS (Continued)

Capital Asset Additions and Retirements – Capital assets at June 30 comprise:

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Governmental activities:					
Capital assets not being depreciated:					
Land	\$18,950,817				\$18,950,817
Construction in progress	47,562,563	\$25,932,369		(\$30,907,066)	42,587,866
Total capital assets not being depreciated	66,513,380	25,932,369		(30,907,066)	61,538,683
Capital assets being depreciated:					
Buildings and improvements	105,272,078	273,560	(\$426,672)		105,118,966
Improvements other than buildings	27,964,607		(395,980)	30,635,061	58,203,688
Machinery and equipment	64,582,587	2,987,511	(974,714)	272,005	66,867,389
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	557,343,307	3,261,071	(1,797,366)	30,907,066	589,714,078
Less accumulated depreciation for:					
Buildings and improvements	31,543,562	2,121,920	(426,666)		33,238,816
Improvements other than buildings	9,906,689	1,443,223	(208,676)		11,141,236
Machinery and equipment	41,282,122	3,564,588	(937,861)		43,908,849
Streets	107,321,981	9,087,469			116,409,450
Traffic signals	6,600,168	250,172			6,850,340
Medians	2,333,784	93,118			2,426,902
Conduits	1,521,540	9,928			1,531,468
Drains	2,416,292	117,500			2,533,792
Total accumulated depreciation	202,926,138	16,687,918	(1,573,203)		218,040,853
Net depreciable assets	354,417,169	(13,426,847)	(224,163)	30,907,066	371,673,225
Governmental activity capital assets, net	\$420,930,549	\$12,505,522	(\$224,163)		\$433,211,908

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

5. CAPITAL ASSETS (Continued)

	Balance June 30, 2020	Additions	Transfers	Balance June 30, 2021
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	48,041,965	\$6,001,914	(\$34,344,866)	19,699,013
Total capital assets not being depreciated	52,799,457	6,001,914	(34,344,866)	24,456,505
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	46,631,878	453,502	29,741,600	76,826,980
Sewer pipelines and infrastructure	126,188,988		179,134	126,368,122
Water pipelines and infrastructure	67,392,025		3,967,353	71,359,378
Airport hangars, tarmacs and other infrastructure assets	28,131,955		456,779	28,588,734
Total capital assets being depreciated	305,104,138	453,502	34,344,866	339,902,506
Less accumulated depreciation for:				
Buildings and improvements	21,812,938	643,464		22,456,402
Machinery and equipment	20,242,057	1,901,884		22,143,941
Sewer pipelines and infrastructure	64,729,159	3,850,017		68,579,176
Water pipelines and infrastructure	40,717,387	1,839,275		42,556,662
Airport hangars, tarmacs and other infrastructure assets	19,937,957	703,803		20,641,760
Total accumulated depreciation	167,439,498	8,938,443		176,377,941
Net depreciable assets	137,664,640	(8,484,941)	34,344,866	163,524,565
Business-type activity capital assets, net	\$190,464,097	(\$2,483,027)		\$187,981,070

Governmental capital assets construction in progress was composed of the following at June 30, 2021:

	Project Budget	Expended to June 30, 2021	Committed
Buildings	\$69,780,000	\$15,505,883	\$54,274,117
Improvements other than buildings	85,151,897	23,251,304	61,900,593
Machinery and equipment	5,291,066	2,657,442	2,633,624
Streets	41,513,000	1,173,237	40,339,763
Total	\$201,735,963	\$42,587,866	\$159,148,097

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

5. CAPITAL ASSETS (Continued)

A summary of enterprise fund construction in progress at June 30, 2021 follows:

	Project Budget	Expended to June 30, 2021	Committed
Sewer Enterprise Fund	\$36,665,425	\$5,085,571	\$31,579,854
Water Enterprise Fund	27,842,277	14,055,239	13,787,038
Airport Enterprise Fund	3,763,000	558,203	3,204,797
Total	<u>\$68,270,702</u>	<u>\$19,699,013</u>	<u>\$48,571,689</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, 2021. 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
Measure A1 - Development of 259 units of Affordable Housing	\$1,130,351	\$9,169,649
21st Century Library and Community Learning Center and Heritage Plaza Arboretum Project	65,636,629	43,371
Fire Station 6 and Training Center Project	23,446,440	36,953,560

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	\$1,238,691
Public Safety	9,414,060
Public Works and Transportation	1,282,705
Library and Community Services	701,846
Economic Development	120,481
Planning and Building	571,782
Maintenance Services	365,142
Internal Service Funds	<u>2,993,211</u>
	<u>\$16,687,918</u>

Business-Type Activities

Sewer Fund	\$5,576,099
Water Fund	2,385,415
Stormwater Fund	165
Airport Fund	<u>976,764</u>
	<u>\$8,938,443</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

6. 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, 2020	Retirements	Balance at June 30, 2021	Current Portion
Governmental Activity Debt:					
Certificates of Participation					
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$61,865,000	\$3,050,000	\$58,815,000	\$3,205,000
Add: Original issue premium	5,689,046	4,491,354	299,422	4,191,932	
Total Certificates of Participation		66,356,354	3,349,422	63,006,932	3,205,000
Direct Borrowings:					
Private Placement Certificates of Participation					
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	12,669,751	1,669,884	10,999,867	1,715,567
Add: Original issue premium	876,695	557,895	79,700	478,195	
Lease Revenue Bonds					
ABAG Series 2001-2 (a), 3.0-5.0%, due 12/01/2020	3,589,835	80,000	80,000		
Loan Payable					
Energy Efficiency Loan (a), 1%, due 12/22/2023	2,488,880	948,478	267,259	681,219	270,129
Private Placement Loan					
2014 Fire Station #7 and Wellness Center					
Private Placement Loan (a), 2.84%, due 8/1/2029	5,500,000	3,747,485	348,885	3,398,600	358,863
Total Direct Borrowings		18,003,609	2,445,728	15,557,881	2,344,559
Subtotal		84,359,963	5,795,150	78,564,813	5,549,559
Direct Borrowings:					
Internal Service Fund Long-Term Debt (b)					
Capital Leases - Equipment					
Energy Upgrades and Solar Project, 3%, due 06/22/2021	887,152	93,308	93,308		
Capital Leases - Fleet					
Fire Engines					
3.240%, due 10/22/2020	1,906,413	118,984	118,984		
Fire Engines					
3.05%, due 1/17/2024	824,000	359,776	85,904	273,872	88,542
Fire Truck					
2.92%, due 6/15/2025	1,272,000	682,014	128,611	553,403	132,394
Total Capital Lease Obligations (Direct Borrowings)		1,254,082	426,807	827,275	220,936
Subtotal		1,254,082	426,807	827,275	220,936
Total Governmental Activity Debt		\$85,614,045	\$6,221,957	\$79,392,088	\$5,770,495

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

6. LONG-TERM DEBT (Continued)

Type of Obligation	Authorized and Issued	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Current Portion
Business-type Activity Debt						
Direct Borrowings:						
Private Placement Revenue Bonds						
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/2025	\$7,245,000	\$3,245,000		\$615,000	\$2,630,000	\$630,000
Loan Payable						
Energy Efficiency Loan (c), 3%, due 6/22/2025	2,450,000	1,004,299		189,083	815,216	194,799
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955	2,150,955		103,544	2,047,411	111,073
State Water Resource Control Board Loan 2006						
1%, due 9/30/2028 (d)	\$4,550,018	24,549,615		2,727,501	21,822,114	2,727,501
State Water Resource Control Board Loan 2019						
1%, due 03/31/2049 (d)	21,227,086	11,081,276	\$4,701,217	451,162	15,331,331	459,214
Total Business-type Activity Debt (Direct Borrowings)		\$42,031,145	\$4,701,217	\$4,086,290	\$42,646,072	\$4,122,587

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 2021, the City had total debt outstanding of \$122 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, 2021

6. 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.

2001 ABAG Lease Revenue Bonds

In fiscal year 2002, the City issued \$7,475,000 principal amount of ABAG Lease Revenue Bonds, Series 2001-2 (2001-2 Bonds), the proceeds of which were used to finance the cost of acquiring capital assets and to refund and retire various capital lease and certificates of participation obligations. This bifurcated Bond issue is repayable from governmental funds, the Equipment Management Internal Service Fund, the Sewer Enterprise Fund, and the Water Enterprise Fund and as a result, the principal balance of the 2001-2 Bonds has been prorated and recorded in each of the above funds and activities. As of June 30, 2021, bonds repayable from the City were paid off.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

6. LONG-TERM DEBT (Continued)

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.

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 \$2.81 million in remaining debt service on the bonds which is scheduled to occur in fiscal year 2025. For fiscal year 2021, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$62.9 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$46.7 million. Net Revenues available for debt service amounted to \$16.4 million, which represented coverage of 23.3 times over the \$704,562 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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

6. LONG-TERM DEBT (Continued)

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.

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, 2021, the City's gross repayment obligation totaled \$21,822,114 and had a corresponding interest expense for \$2,727,501. The repayments of the loan are due annually on September 30, commenced September 30, 2009.

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, 2021, the City has drawn down \$15,669,071. As of June 30, 2021, the City's estimated gross repayment obligation totaled \$15,331,331 and had a corresponding interest expense for \$2,540,842. 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, 2021

6. LONG-TERM DEBT (Continued)

Debt Service Requirements

At June 30, 2021, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Year Ending June 30:	Governmental Activities - 2015 Certificates of Participation		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$3,205,000	\$2,214,563	\$2,565,495	\$371,500
2023	3,365,000	2,050,313	2,629,175	310,628
2024	3,530,000	1,877,938	2,558,278	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 - 2031	21,295,000	5,862,551	3,454,675	111,754
2032 - 2035	19,855,000	1,720,275		
Totals	58,815,000	\$17,005,316	15,906,961	\$1,355,643
Plus unamortized premium	4,191,932		478,195	
Total Long-term debt principal, net	\$63,006,932		\$16,385,156	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2022	\$4,122,587	\$268,190
2023	4,153,260	240,129
2024	4,185,006	210,443
2025	4,207,139	179,818
2026	3,320,007	150,372
2027 - 2031	11,237,217	661,783
2032 - 2036	3,208,402	505,986
2037 - 2041	2,973,415	347,164
2042 - 2046	2,852,568	205,467
2047 - 2050	2,386,471	59,957
Totals	\$42,646,072	\$2,829,309

Defeased Bonds

As of June 30, 2021, outstanding balances for defeased debt were \$960,000 for the 2001 Water System Improvement Project Certificates of Participation and \$11,500,000 for the 2007 Refunding Certificates of Participation.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

7. 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.

8. 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, 2021 was \$105,000.

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, 2021 was \$4,925,776.

9. 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, 2021

9. 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, 2021

9. 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, 2021

9. NET POSITION AND FUND BALANCES (Continued)

The General Fund Balances are detailed below and described along with the minimum balance target and purpose:

	<u>Balance at June 30, 2021</u>
Nonspendables:	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$4,436,442
Deposits, parts, supplies and other	<u>5,981</u>
Total Nonspendable Fund Balances	<u>4,442,423</u>
Assigned:	
Capital projects	256,170
Measure C District sales tax	<u>30,061,751</u>
Total Assigned Fund Balances	<u>30,317,921</u>
Unassigned:	
Designations:	
Liquidity	<u>31,431,063</u>
Total Unassigned Fund Balances	<u>31,431,063</u>
Total Fund Balances	<u><u>\$66,191,407</u></u>

- **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, 2021, the following funds had a deficit:

The Recycling Enterprise Fund reported a deficit of \$278,350 at June 30, 2021 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 \$2,893,511 at June 30, 2021 due to a larger than expected claims adjustment at the end of fiscal year 2021. This deficit is expected to be eliminated with future internal service fund charges.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

10. 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 \$191,309 for the year ended June 30, 2021. 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.

11. DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation 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.

12. 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, 2021

12. PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
	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%	6.25%
Required employer contribution rates (A)	10.276%	10.276%

	Safety - Fire	
	Classic Tier I	PEPRA
	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)	19.294%	19.294%

	Safety - Police	
	Classic Tier I	PEPRA
	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)	23.224%	23.224%

(A) Rates represents blended combination rates

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

12. 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, 2019 and measurement date of June 30, 2020:

	Miscellaneous	Safety-Fire	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	917	188	342
Inactive employees entitled to but not yet receiving benefits	712	24	64
Active employees	521	125	179
Total	2,150	337	585

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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

12. PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 and June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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, 2021

12. 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)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+ (c)
Global 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 Comprehensive Annual 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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

12. PENSION PLANS (Continued)

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)
Balance at June 30, 2019	\$481,839,301	\$317,296,264	\$164,543,037
Changes in the year:			
Service cost	8,254,476		8,254,476
Interest on the total pension liability	33,774,340		33,774,340
Differences between actual and expected experience	(481,002)		(481,002)
Contribution - employer		12,993,586	(12,993,586)
Contribution - employee		5,503,016	(5,503,016)
Net investment income		15,793,925	(15,793,925)
Administrative expenses		(447,310)	447,310
Benefit payments, including refunds of employee contributions	(26,234,280)	(26,234,280)	
Net changes	15,313,534	7,608,937	7,704,597
Balance at June 30, 2020	\$497,152,835	\$324,905,201	\$172,247,634

Safety - Fire Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$310,426,355	\$193,595,194	\$116,831,161
Changes in the year:			
Service cost	5,558,671		5,558,671
Interest on the total pension liability	22,013,653		22,013,653
Differences between actual and expected experience	3,298,871		3,298,871
Contribution - employer		9,191,715	(9,191,715)
Contribution - employee		2,851,797	(2,851,797)
Net investment income		9,590,927	(9,590,927)
Administrative expenses		(272,922)	272,922
Benefit payments, including refunds of employee contributions	(17,242,575)	(17,242,575)	
Net changes	13,628,620	4,118,942	9,509,678
Balance at June 30, 2020	\$324,054,975	\$197,714,136	\$126,340,839

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

12. PENSION PLANS (Continued)

Safety - Police Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	<u>\$413,600,435</u>	<u>\$254,568,696</u>	<u>\$159,031,739</u>
Changes in the year:			
Service cost	8,079,098		8,079,098
Interest on the total pension liability	29,217,195		29,217,195
Differences between actual and expected experience	2,096,406		2,096,406
Contribution - employer		13,842,327	(13,842,327)
Contribution - employee		3,749,712	(3,749,712)
Net investment income		12,710,839	(12,710,839)
Administrative expenses		(358,879)	358,879
Benefit payments, including refunds of employee contributions	(22,208,581)	(22,208,581)	
Net changes	<u>17,184,118</u>	<u>7,735,418</u>	<u>9,448,700</u>
Balance at June 30, 2020	<u>\$430,784,553</u>	<u>\$262,304,114</u>	<u>\$168,480,439</u>
Combined Total	<u>\$1,251,992,363</u>	<u>\$784,923,451</u>	<u>\$467,068,912</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	\$234,729,299	\$169,002,589	\$227,135,351
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$172,247,634	\$126,340,839	\$168,480,439
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$120,412,060	\$91,172,543	\$120,475,666

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
For the Year Ended June 30, 2021

12. PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$60,249,504. At June 30, 2021, 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	\$14,580,046	
Differences between actual and expected experience	1,457,041	(\$296,001)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	2,318,298	
Total	<u>\$18,355,385</u>	<u>(\$296,001)</u>

Safety Plan - Fire:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$10,135,787	
Differences between actual and expected experience	3,984,198	(\$59,630)
Changes in assumptions	2,961,363	(543,411)
Net differences between projected and actual earnings on plan investments	1,473,971	
Total	<u>\$18,555,319</u>	<u>(\$603,041)</u>

Safety Plan - Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$14,979,710	
Differences between actual and expected experience	3,674,375	(\$209,151)
Changes in assumptions		(300,360)
Net differences between projected and actual earnings on plan investments	1,963,238	
Total	<u>\$20,617,323</u>	<u>(\$509,511)</u>
Combined total	<u><u>\$57,528,027</u></u>	<u><u>(\$1,408,553)</u></u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

12. PENSION PLANS (Continued)

\$39,695,543 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
2022	(\$122,294)
2023	671,873
2024	1,616,513
2025	1,313,246
Total	<u>\$3,479,338</u>

Safety Plan - Fire:

Year Ended June 30	Annual Amortization
2022	\$3,068,709
2023	1,388,114
2024	1,662,312
2025	1,452,995
2026	244,361
Total	<u>\$7,816,491</u>

Safety Plan - Police:

Year Ended June 30	Annual Amortization
2022	\$380,006
2023	2,030,814
2024	1,656,098
2025	1,061,184
Total	<u>\$5,128,102</u>

All Plans (Misc., Fire and Police)

Year Ended June 30	Amortization Amount
2022	\$3,326,421
2023	4,090,801
2024	4,934,923
2025	3,827,425
2026	244,361
Total	<u>\$16,423,931</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

13. 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, 2021, total contributions of \$12,058 were made based on a total amount of covered compensation of \$322,791.

14. 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 \$139 to \$143 per month in lieu of contributions to the CalPERS plan.

Employees Covered

Membership in the plan consisted of the following at June 30, 2019 (latest actuarial valuation date):

Active employees	821
Inactive employees or beneficiaries currently receiving benefit payments	624
Inactive employees entitled to but not yet receiving benefit payments	246
	<hr/>
Total	<u>1,691</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward to determine the total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.90%
Mortality Rate	The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	4% to 5.40%

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	59.0%	4.80%
Fixed Income	25.0%	1.10%
Global Real Estate (REITs)	8.0%	3.20%
Treasury Inflation Protected Securities	5.0%	0.25%
Commodities	3.0%	1.50%
Total	100.0%	

Discount Rate – The discount rate used to measure the total OPEB liability was 6.9%. 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
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

14. 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, 2019	\$87,567,141	\$8,292,420	\$79,274,721
Changes Recognized for the Measurement Period:			
Service Cost	2,213,810		2,213,810
Interest on the total OPEB liability	5,048,226		5,048,226
Differences between expected and actual experience		364,141	(364,141)
Changes of assumptions	(10,988,323)		(10,988,323)
Contributions from the employer		7,455,802	(7,455,802)
Contributions from the employee		(374,055)	374,055
Net investment income		647,884	(647,884)
Administrative expenses		(4,528)	4,528
Benefit payments	(4,882,802)	(4,882,802)	
Net changes	(8,609,089)	3,206,442	(11,815,531)
Balance at June 30, 2020 (Measurement Date)	\$78,958,052	\$11,498,862	\$67,459,190

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%
5.90%	6.90%	7.90%
\$77,110,408	\$67,459,190	\$59,404,029

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%
\$59,836,364	\$67,459,190	\$77,130,628

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

14. 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, 2021, the City recognized OPEB expense of (\$1,583,862). At June 30, 2021, 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	\$6,795,404	
Changes of assumptions		(\$36,172,015)
Difference between Expected and Actual Experience	1,844,529	
Net difference between projected and actual earnings on investments		(306,024)
Total	<u>\$8,639,933</u>	<u>(\$36,478,039)</u>

\$6,795,404 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, 2022. 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
2022	(\$8,576,600)
2023	(8,551,910)
2024	(6,810,760)
2025	(6,524,677)
2026	(3,515,088)
Thereafter	(654,475)
Total	<u>(\$34,633,510)</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

15. 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	None
Property	\$0 - \$500,000 per occurrence	\$250,000 - \$1,000,000,000
Cyber	\$0 - \$100,000 per occurrence	\$500,000 - \$45,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$2,000,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$75,000 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, 2021

15. 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	
			2021	2020
Balance, beginning of year	\$5,334,199	\$15,434,582	\$20,768,781	\$21,388,426
Current year claims and changes in estimates	4,042,535	1,296,191	5,338,726	5,050,063
Claims paid	(2,412,222)	(3,110,790)	(5,523,012)	(5,669,708)
Balance, end of year	<u>\$6,964,512</u>	<u>\$13,619,983</u>	<u>\$20,584,495</u>	<u>\$20,768,781</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, 2021 is \$20,584,495. This amount is net of the allowable adjustment to recognize investment income.

16. 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, 2021

16. 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 2021 amounted to \$811,956 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 \$10,382,103 at June 30, 2020, the latest date for which financial information is available.

The investment in East Bay Dischargers Authority is valued as of June 30, 2020, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2020 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets	
Current	\$3,769,080
Capital assets - net	<u>28,856,838</u>
Total Assets	32,625,918
Deferred outflow of resources	<u>1,443,088</u>
Total	<u><u>\$34,069,006</u></u>
Liabilities	\$2,740,851
Deferred inflow of resources	181,845
Net Position	<u>31,146,310</u>
Total	<u><u>\$34,069,006</u></u>
Revenues	\$5,767,363
Expenses	(5,364,073)
Non-operating revenues	70,036
Non-operating expenses	<u>(114,277)</u>
Change in Net Position	<u><u>\$359,049</u></u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

17. 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, 2021

17. 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 \$2,772,684 during fiscal year 2021, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2022 is estimated to be \$2,521,752.

18. 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, 2021

18. 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.

19. 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, 2021

19. 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, 2021 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, 2021.

	School Project	Cannery Park	Cinema Place	Retail Attraction	Total
Balance at June 30, 2020	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337
Less: Loan Payments					
Balance at June 30, 2021	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

19. 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, 2020	Additions	Balance June 30, 2021
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	4,334,297	\$314,131	4,648,428
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,343,872	314,131	4,658,003
Net depreciable assets	9,801,600	(314,131)	9,487,469
Private purpose trust fund assets, net	\$14,232,116	(\$314,131)	\$13,917,985

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

19. 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, 2021 was \$8,339,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	Advances to Private Purpose Trust Fund	Advances From City
General Fund	\$4,436,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$8,339,979
Total	<u>\$8,339,979</u>	<u>\$8,339,979</u>

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, 2021

19. 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, 2020	Retirements	Balance at June 30, 2021	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	\$28,010,000 2,944,134	\$1,880,000 184,008	\$26,130,000 2,760,126	\$1,975,000
Total	\$35,270,000	\$30,954,134	\$2,064,008	\$28,890,126	\$1,975,000

At June 30, 2021, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Successor Agency	
	Principal	Interest
2022	\$1,975,000	\$1,254,250
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 - 2031	8,950,000	2,439,125
2032 - 2036	6,260,000	784,325
Totals	26,130,000	\$8,444,700
Plus unamortized premium	2,760,126	
Total Long-term debt principal, net	\$28,890,126	

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, 2021

19. 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 2021, 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 \$4,020,771. The taxes available for distribution covered 125% of the \$3,224,450 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.

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	6/30/2014	6/30/2015	6/30/2016
Total Pension Liability			
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	(19,351,565)	(21,117,520)	(22,169,235)
Net change in total pension liability	14,599,007	3,551,977	11,763,139
Total pension liability - beginning	375,357,954	389,956,961	393,508,938
Total pension liability - ending (a)	<u>\$389,956,961</u>	<u>\$393,508,938</u>	<u>\$405,272,077</u>
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	33,566,303	(3,573,070)	(7,762,729)
Plan fiduciary net position - beginning	247,040,337	280,606,640	277,033,570
Plan fiduciary net position - ending (b)	<u>\$280,606,640</u>	<u>\$277,033,570</u>	<u>\$269,270,841</u>
Net pension liability - ending (a)-(b)	<u>\$109,350,321</u>	<u>\$116,475,368</u>	<u>\$136,001,236</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 and 2019, 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 seven 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>
\$7,504,688	\$7,869,869	\$8,124,065	\$8,254,476
30,173,942	31,188,964	32,708,864	33,774,340
444,821	2,372,377	6,313,847	(481,002)
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>
39,293,942	14,922,976	22,350,306	15,313,534
<u>405,272,077</u>	<u>444,566,019</u>	<u>459,488,995</u>	<u>481,839,301</u>
<u><u>\$444,566,019</u></u>	<u><u>\$459,488,995</u></u>	<u><u>\$481,839,301</u></u>	<u><u>\$497,152,835</u></u>
\$11,093,282	\$10,774,004	\$12,008,441	\$12,993,586
3,799,837	4,511,187	4,682,650	5,503,016
29,788,614	24,576,008	19,998,965	15,793,925
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)
(46,705)	(711)		
(397,560)	(453,086)	(218,097)	(447,310)
	(860,419)	711	
<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>	<u>7,608,937</u>
<u>269,270,841</u>	<u>290,761,473</u>	<u>305,620,064</u>	<u>317,296,264</u>
<u><u>\$290,761,473</u></u>	<u><u>\$305,620,064</u></u>	<u><u>\$317,296,264</u></u>	<u><u>\$324,905,201</u></u>
<u><u>\$153,804,546</u></u>	<u><u>\$153,868,931</u></u>	<u><u>\$164,543,037</u></u>	<u><u>\$172,247,634</u></u>
65.40%	66.51%	65.85%	65.35%
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706
391.11%	353.29%	383.69%	350.02%

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	2015	2016	2017
Actuarially determined contribution	\$8,401,478	\$10,026,685	\$11,092,052
Contributions in relation to the actuarially determined contributions	8,401,478	10,026,685	11,092,052
Contribution deficiency (excess)	\$0	\$0	\$0
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
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, and 7.00% for 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 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.

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

2018	2019	2020	2021
\$10,776,908	\$12,013,423	\$12,996,103	\$14,580,046
10,776,908	12,013,423	12,996,103	14,580,046
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731
24.74%	28.01%	26.41%	29.11%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

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
Total Pension Liability			
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)
Net change in total pension liability	9,303,033	4,998,406	14,776,983
Total pension liability - beginning	234,941,316	244,244,349	249,242,755
Total pension liability - ending (a)	<u>\$244,244,349</u>	<u>\$249,242,755</u>	<u>\$264,019,738</u>
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	20,766,732	(2,316,432)	(4,959,619)
Plan fiduciary net position - beginning	153,701,396	174,468,128	172,151,696
Plan fiduciary net position - ending (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 and 2020, 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 seven 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>
\$5,098,972	\$4,895,549	\$5,286,457	\$5,558,671
19,657,506	20,408,514	21,091,439	22,013,653
(324,662)	2,612,499	270,193	3,298,871
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>
25,680,027	10,665,419	10,061,171	13,628,620
<u>264,019,738</u>	<u>289,699,765</u>	<u>300,365,184</u>	<u>310,426,355</u>
<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>	<u>\$324,054,975</u>
\$6,378,762	\$6,646,548	\$8,015,957	\$9,191,715
2,544,269	2,516,137	3,093,507	2,851,797
18,488,612	15,036,869	12,184,975	9,590,927
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)
	(437)		
(246,848)	(279,683)	(133,462)	(272,922)
	<u>(531,122)</u>	<u>437</u>	
12,290,023	7,538,598	6,574,496	4,118,942
<u>167,192,077</u>	<u>179,482,100</u>	<u>187,020,698</u>	<u>193,595,194</u>
<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>	<u>\$197,714,136</u>
<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>	<u>\$126,340,839</u>
61.95%	62.26%	62.36%	61.01%
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921
664.78%	630.48%	608.42%	665.41%

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)	\$0	\$0	\$0
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 20
Salary increases	Varies by Entry Age and Service 7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020 and 7.00% for 2021, net of pension plan investment expense, including inflation.
Investment rate of return	
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, 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.

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

2018	2019	2020	2021
\$6,646,548	\$8,015,966	\$9,197,653	\$10,135,787
6,646,548	8,015,966	9,197,653	10,135,787
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737
36.97%	41.74%	48.44%	53.63%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

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
Total Pension Liability			
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)
Net change in total pension liability	14,287,468	6,581,647	18,866,464
Total pension liability - beginning	306,952,014	321,239,482	327,821,129
Total pension liability - ending (a)	\$321,239,482	\$327,821,129	\$346,687,593
Plan fiduciary net position			
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)			
Net change in plan fiduciary net position	26,971,389	(1,312,746)	(4,507,097)
Plan fiduciary net position - beginning	189,244,302	216,215,691	214,902,945
Plan fiduciary net position - ending (b)	\$216,215,691	\$214,902,945	\$210,395,848
Net pension liability - ending (a)-(b)	<u>\$105,023,791</u>	<u>\$112,918,184</u>	<u>\$136,291,745</u>
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 and 2020, 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 seven 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>
\$8,055,656	\$8,436,727	\$7,716,531	\$8,079,098
25,738,287	26,651,517	28,039,320	29,217,195
(3,900,767)	(1,105,506)	4,860,684	2,096,406
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>
34,259,209	12,948,031	19,705,602	17,184,118
<u>346,687,593</u>	<u>380,946,802</u>	<u>393,894,833</u>	<u>413,600,435</u>
<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>	<u>\$430,784,553</u>
\$10,508,222	\$10,740,724	\$12,243,071	\$13,842,327
3,782,992	3,754,299	3,750,089	3,749,712
23,301,215	19,562,389	16,002,505	12,710,839
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)
	(567)		
(310,635)	(358,539)	(173,879)	(358,879)
	<u>(680,871)</u>	<u>567</u>	
19,691,088	13,570,340	10,911,420	7,735,418
<u>210,395,848</u>	<u>230,086,936</u>	<u>243,657,276</u>	<u>254,568,696</u>
<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>	<u>\$262,304,114</u>
<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>	<u>\$168,480,439</u>
60.40%	61.86%	61.55%	60.89%
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675
659.24%	617.11%	638.36%	677.89%

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	2015	2016	2017
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><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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
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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	14 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2020, 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 seven years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

2018	2019	2020	2021
\$10,740,724	\$12,240,356	\$13,839,941	\$14,979,710
<u>10,740,724</u>	<u>12,240,356</u>	<u>13,839,941</u>	<u>14,979,710</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
44.12%	49.13%	55.69%	60.14%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

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
Total OPEB Liability				
Service cost	\$4,646,537	\$4,054,275	\$4,121,478	\$2,213,810
Interest	3,528,286	4,015,577	4,186,619	5,048,226
Changes in benefit terms				
Differences between expected and actual experience			2,686,781	
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)	(10,988,323)
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)
Net change in total OPEB liability	(7,478,529)	2,864,889	(26,135,923)	(8,609,089)
Total OPEB liability - beginning	118,316,704	110,838,175	113,703,064	87,567,141
Total OPEB liability - ending (a)	\$110,838,175	\$113,703,064	\$87,567,141	\$78,958,052
Plan fiduciary net position				
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188	\$7,455,802
Contributions - employee			377,793	(374,055)
Net investment income	396,755	318,308	455,417	1,012,025
Administrative expense	(2,014)	(2,234)	(1,348)	(4,528)
Other expense		(5,491)		
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)
Net change in plan fiduciary net position	394,741	1,310,583	2,831,862	3,206,442
Plan fiduciary net position - beginning	3,755,234	4,149,975	5,460,558	8,292,420
Plan fiduciary net position - ending (b)	\$4,149,975	\$5,460,558	\$8,292,420	\$11,498,862
 Net OPEB liability - ending (a)-(b)	 \$106,688,200	 \$108,242,506	 \$79,274,721	 \$67,459,190
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.74%	 4.80%	 9.47%	 14.56%
 Covered-employee payroll	 \$97,007,987	 \$100,785,694	 \$104,434,054	 \$105,982,182
 Net OPEB liability as a percentage of covered-employee payroll	 109.98%	 107.40%	 75.91%	 63.65%

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,	2018	2019	2020	2021
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174	\$7,190,835
Contributions in relation to the actuarially determined contribution	5,190,672	6,374,161	7,455,802	6,795,404
Contribution deficiency (excess)	\$2,847,355	\$2,020,306	(\$451,628)	\$395,431
Covered employee payroll	\$100,785,694	\$104,434,054	\$105,982,182	\$110,872,748
Contributions as a percentage of covered payroll	5.15%	6.10%	7.03%	6.13%

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
Actuarial Assumptions:				
Discount Rate	3.56%	3.62%	6.90%	6.90%
Inflation	3.00%	2.75%	2.50%	2.50%
Payroll Growth	3.25%	3.25%	3.00%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%	6.90%
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%

* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation

CITY OF HAYWARD
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget Positive (Negative)
	Adopted *	Adjusted *		
REVENUES:				
Property taxes	\$55,500,000	\$57,000,000	\$61,196,409	\$4,196,409
Sales taxes	48,253,000	50,253,000	58,652,032	8,399,032
Utility users tax	18,135,000	17,135,000	17,267,592	132,592
Other taxes	32,061,000	32,661,000	35,277,539	2,616,539
Licenses and permits	6,397,680	6,397,680	5,439,030	(958,650)
Fines and forfeitures	2,291,609	2,261,609	2,194,569	(67,040)
Investment income	299,880	299,880	151,835	(148,045)
Rental income	278,650	278,650	1,723	(276,927)
Intergovernmental	8,268,081	10,502,962	10,881,724	378,762
Fees and charges for services	5,583,780	5,583,780	7,420,237	1,836,457
Other revenue	514,000	514,000	1,402,183	888,183
Total Revenues	177,582,680	182,887,561	199,884,873	16,997,312
EXPENDITURES:				
Current:				
General government	13,922,006	14,621,185	13,971,584	649,601
Public safety	121,335,578	126,300,269	128,375,921	(2,075,652)
Public works and transportation	3,155,605	3,294,386	4,085,154	(790,768)
Library and community services	9,660,222	8,708,779	7,587,444	1,121,335
Planning and building	8,208,859	9,216,720	8,712,707	504,013
Maintenance services	8,825,230	9,015,991	9,656,198	(640,207)
Total Expenditures	165,107,500	171,157,330	172,389,008	(1,231,678)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,475,180	11,730,231	27,495,865	15,765,634
OTHER FINANCING SOURCES (USES):				
Transfers in	4,317,046	4,317,046	2,694,046	(1,623,000)
Transfers (out)	(14,764,809)	(17,357,198)	(16,681,679)	675,519
Total Other Financing Sources (Uses)	(10,447,763)	(13,040,152)	(13,987,633)	(947,481)
NET CHANGE IN FUND BALANCE	<u>\$2,027,417</u>	<u>(\$1,309,921)</u>	13,508,232	<u>\$14,818,153</u>
BEGINNING FUND BALANCE			52,683,175	
ENDING FUND BALANCE			<u>\$66,191,407</u>	

* 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, 2021

	Original Budget	Adjusted Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$10,000	\$10,000	\$37,827	\$27,827
Intergovernmental	449,000	1,119,260	949,046	(170,214)
Fees and charges for services		12,000	8,537	(3,463)
Total Revenues	<u>459,000</u>	<u>1,141,260</u>	<u>995,410</u>	<u>(145,850)</u>
EXPENDITURES:				
Current:				
Public safety	33,906	552,831	182,196	370,635
Library and community services		564,191	179,684	384,507
Economic development	<u>405,231</u>	<u>1,113,322</u>	<u>575,340</u>	<u>537,982</u>
Total Expenditures	<u>439,137</u>	<u>2,230,344</u>	<u>937,220</u>	<u>1,293,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,863</u>	<u>(1,089,084)</u>	<u>58,190</u>	<u>1,147,274</u>
NET CHANGE IN FUND BALANCE	<u>\$19,863</u>	<u>(\$1,089,084)</u>	<u>58,190</u>	<u>\$1,147,274</u>
BEGINNING FUND BALANCE			<u>14,778,477</u>	
ENDING FUND BALANCE			<u>\$14,836,667</u>	

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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, 2021

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$200,000	\$200,000	\$70,718	(\$129,282)
Fees and charges for services			2,968	2,968
Total Revenues	200,000	200,000	73,686	(126,314)
EXPENDITURES:				
Current:				
Economic development	232,717	4,980,588	103,341	4,877,247
Total Expenditures	232,717	4,980,588	103,341	4,877,247
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,717)	(4,780,588)	(29,655)	(4,750,933)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(8,159)	(8,159)	(8,159)	
Total Other Financing Sources (Uses)	(8,159)	(8,159)	(8,159)	
NET CHANGE IN FUND BALANCE	(\$40,876)	(\$4,780,588)	(37,814)	\$4,742,774
BEGINNING FUND BALANCE			22,784,829	
ENDING FUND BALANCE			\$22,747,015	

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Other taxes			\$830,605	\$830,605
Investment income			35,574	35,574
Intergovernmental			5,184,103	5,184,103
Other revenue		\$110,077	6,506,193	6,396,116
Total Revenues		110,077	12,556,475	12,446,398
EXPENDITURES:				
Current:				
Public works and transportation			44,072	(44,072)
Capital outlay	\$22,971,000	88,899,993	26,559,107	62,340,886
Total Expenditures	22,971,000	88,899,993	26,603,179	62,296,814
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,971,000)	(88,789,916)	(14,046,704)	74,743,212
OTHER FINANCING SOURCES (USES):				
Transfers in	965,000	985,948	965,000	(20,948)
Total Other Financing Sources (Uses)	965,000	985,948	965,000	(20,948)
NET CHANGE IN FUND BALANCE	<u>(\$22,006,000)</u>	<u>(\$87,803,968)</u>	(13,081,704)	<u>\$74,722,264</u>
BEGINNING FUND BALANCE			27,536,543	
ENDING FUND BALANCE			<u>\$14,454,839</u>	

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COMBINING GENERAL FUND SCHEDULES

CITY OF HAYWARD
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2021

	General Fund		
	General Purpose	Measure C District Sales Tax	Total
ASSETS:			
Cash, cash equivalents, and investments	\$55,383,752	\$26,809,993	\$82,193,745
Accounts receivable, net	2,273,665		2,273,665
Due from other governments	9,814,548	3,369,512	13,184,060
Due from other funds	1,790,879		1,790,879
Long-term loans to the Private Purpose Trust Fund	4,436,442		4,436,442
Deposits, parts, supplies and other	5,981		5,981
Total Assets	<u>\$73,705,267</u>	<u>\$30,179,505</u>	<u>\$103,884,772</u>
LIABILITIES:			
Accounts payable	\$2,982,322	\$5,081	\$2,987,403
Accrued liabilities	7,427,939	112,673	7,540,612
Long-term interfund payables	3,015,479		3,015,479
Unearned revenue	19,232,997		19,232,997
Refundable deposits	4,916,874		4,916,874
Total Liabilities	<u>37,575,611</u>	<u>117,754</u>	<u>37,693,365</u>
FUND BALANCES:			
Nonspendable	4,442,423		4,442,423
Assigned	256,170	30,061,751	30,317,921
Unassigned	31,431,063		31,431,063
Total Fund Balances	<u>36,129,656</u>	<u>30,061,751</u>	<u>66,191,407</u>
Total Liabilities and Fund Balances	<u>\$73,705,267</u>	<u>\$30,179,505</u>	<u>\$103,884,772</u>

CITY OF HAYWARD
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund		
	General Fund	Measure C District Sales Tax	Total
REVENUES:			
Property taxes	\$61,196,409		\$61,196,409
Sales taxes	40,074,818	\$18,577,214	58,652,032
Utility users tax	17,267,592		17,267,592
Other taxes	35,277,539		35,277,539
Licenses and permits	5,439,030		5,439,030
Fines and forfeitures	2,194,569		2,194,569
Investment income	13,062	138,773	151,835
Rental income	1,723		1,723
Intergovernmental	10,881,724		10,881,724
Fees and charges for services	7,420,237		7,420,237
Other revenue	1,402,183		1,402,183
Total Revenues	181,168,886	18,715,987	199,884,873
EXPENDITURES:			
Current:			
General government	13,971,584		13,971,584
Public safety	125,093,945	3,281,976	128,375,921
Public works and transportation	4,085,154		4,085,154
Library and community services	7,579,222	8,222	7,587,444
Planning and building	8,712,707		8,712,707
Maintenance services	8,187,267	1,468,931	9,656,198
Total Expenditures	167,629,879	4,759,129	172,389,008
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,539,007	13,956,858	27,495,865
OTHER FINANCING SOURCES (USES):			
Transfers in	2,694,046		2,694,046
Transfers (out)	(10,950,699)	(5,730,980)	(16,681,679)
Total Other Financing Sources (Uses)	(8,256,653)	(5,730,980)	(13,987,633)
CHANGE IN FUND BALANCES	5,282,354	8,225,878	13,508,232
BEGINNING FUND BALANCES	30,847,302	21,835,873	52,683,175
ENDING FUND BALANCES	\$36,129,656	\$30,061,751	\$66,191,407

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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, 2021

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash, cash equivalents, and investments	\$1,079,172		\$189,365	\$15,330,573
Accounts receivable, net				
Due from other governments	386,177	\$8,811		
Interest receivable				
Loans receivable		6,459,505	243,418	
Land held for resale				
Total Assets	<u>\$1,465,349</u>	<u>\$6,468,316</u>	<u>\$432,783</u>	<u>\$15,330,573</u>
LIABILITIES:				
Accounts payable	\$26,417	\$628,214	\$2,544	
Accrued liabilities		13,157	1,819	
Due to other funds		406,598		
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>26,417</u>	<u>1,047,969</u>	<u>4,363</u>	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	1,438,932			\$15,330,573
Planning and building				
Economic development		5,420,347	428,420	
Debt service				
Total Fund Balances	<u>1,438,932</u>	<u>5,420,347</u>	<u>428,420</u>	<u>15,330,573</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,465,349</u>	<u>\$6,468,316</u>	<u>\$432,783</u>	<u>\$15,330,573</u>

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$47,162 936	\$784,326 2,500	\$4,162,617 126,579 68,215 53,631	\$563,052	\$3,781,746 6,034	\$3,494,059 579,290
<u>\$48,098</u>	<u>\$786,826</u>	<u>\$4,411,042</u>	<u>\$563,052</u>	<u>\$3,787,780</u>	<u>\$4,073,349</u>
	\$30,499 352 2,500	\$109,041 10,790	\$52,058	\$118,225	\$1,133
	<u>33,351</u>	<u>119,831</u>	<u>52,058</u>	<u>118,225</u>	<u>1,133</u>
<u>\$936</u>					
<u>936</u>					
			510,994		
47,162	753,475	4,291,211		3,669,555	4,072,216
<u>47,162</u>	<u>753,475</u>	<u>4,291,211</u>	<u>510,994</u>	<u>3,669,555</u>	<u>4,072,216</u>
<u>\$48,098</u>	<u>\$786,826</u>	<u>\$4,411,042</u>	<u>\$563,052</u>	<u>\$3,787,780</u>	<u>\$4,073,349</u>

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash, cash equivalents, and investments	\$1,345,605	\$1,408,684	\$11,560,850	\$874,498
Accounts receivable, net				
Due from other governments	116,353	210,199	793,725	150,675
Interest receivable				
Loans receivable				
Land held for resale				
Total Assets	<u>\$1,461,958</u>	<u>\$1,618,883</u>	<u>\$12,354,575</u>	<u>\$1,025,173</u>
LIABILITIES:				
Accounts payable		\$143,630	\$38,624	\$66,715
Accrued liabilities		8,722		
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities		<u>152,352</u>	<u>38,624</u>	<u>66,715</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	\$1,461,958	1,466,531	12,315,951	958,458
Planning and building				
Economic development				
Debt service				
Total Fund Balances	<u>1,461,958</u>	<u>1,466,531</u>	<u>12,315,951</u>	<u>958,458</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,461,958</u>	<u>\$1,618,883</u>	<u>\$12,354,575</u>	<u>\$1,025,173</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
\$17,034 4,800 44,556	\$2,886,759 289,704	\$260,668 340,391	\$11,707,808	\$7,449,813	\$1,319,291
					6,131,113
<u>\$66,390</u>	<u>\$3,176,463</u>	<u>\$601,059</u>	<u>\$11,707,808</u>	<u>\$7,449,813</u>	<u>\$7,450,404</u>
\$33,413		\$36,674 9,241 340,391	\$7,382 9,190 114,348	\$138,131	\$145,827 1,384,281 33,385
<u>33,413</u>		<u>386,306</u>	<u>130,920</u>	<u>138,131</u>	<u>1,563,493</u>
					1,319,291
					1,319,291
32,977	\$3,176,463				4,567,620
		214,753	11,576,888	7,311,682	
<u>32,977</u>	<u>3,176,463</u>	<u>214,753</u>	<u>11,576,888</u>	<u>7,311,682</u>	<u>4,567,620</u>
<u>\$66,390</u>	<u>\$3,176,463</u>	<u>\$601,059</u>	<u>\$11,707,808</u>	<u>\$7,449,813</u>	<u>\$7,450,404</u> (Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Traffic Signal Construction</u>	<u>Performance Deposits</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS:			
Cash, cash equivalents, and investments	\$1,030,992	\$341,054	\$68,315,837
Accounts receivable, net			1,667,918
Due from other governments			2,712,103
Interest receivable			68,215
Loans receivable			6,756,554
Land held for resale			6,131,113
Total Assets	<u>\$1,030,992</u>	<u>\$341,054</u>	<u>\$85,651,740</u>
LIABILITIES:			
Accounts payable	\$28,422		\$1,416,760
Accrued liabilities		\$2,572	193,974
Due to other funds			1,790,879
			394,949
Refundable deposits		306,249	453,982
Total Liabilities	<u>28,422</u>	<u>308,821</u>	<u>4,250,544</u>
DEFERRED INFLOWS OF RESOURCES:			
			1,320,227
Total Deferred Inflows of Resources			<u>1,320,227</u>
FUND BALANCES:			
Restricted:			
Public safety			510,994
Public works and transportation	1,002,570	32,233	34,817,120
Planning and building			19,800,765
Economic development			17,640,408
Debt service			7,311,682
Total Fund Balances	<u>1,002,570</u>	<u>32,233</u>	<u>80,080,969</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,030,992</u>	<u>\$341,054</u>	<u>\$85,651,740</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, 2021

	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	\$5,095	\$480,320	\$982	\$59,099
Rental income				
Intergovernmental	3,547,389	3,880,545		
Fees and charges for services				
Other revenue		300,144	246,755	2,069,851
Total Revenues	3,552,484	4,661,009	247,737	2,128,950
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation		3,385,003		
Library and community services		91,095		
Economic development		643,941	304,094	
Maintenance services	4,256			
Capital outlay	2,805,523			
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	2,809,779	4,120,039	304,094	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	742,705	540,970	(56,357)	2,128,950
OTHER FINANCING SOURCES (USES)				
Gain on sale of land held				
Transfers in	15,000			
Transfers (out)	(986,000)		(21,997)	
Total Other Financing Sources (Uses)	(971,000)		(21,997)	
NET CHANGE IN FUND BALANCES	(228,295)	540,970	(78,354)	2,128,950
BEGINNING FUND BALANCES, AS RESTATED	1,667,227	4,879,377	506,774	13,201,623
ENDING FUND BALANCES	\$1,438,932	\$5,420,347	\$428,420	\$15,330,573

SPECIAL REVENUE FUNDS

<u>Business Improvement</u>	<u>Donation</u>	<u>Recycling</u>	<u>Narcotics Asset Seizure</u>	<u>Park Maintenance District</u>	<u>Measure B Local Streets and Roads</u>
		\$564,498			
\$550	\$3,415	16,996	\$2,341	\$1,408,903 15,075	\$11,739
	45,000	1,098,974	83,001		2,844,270
	146,551				
550	194,966	1,680,468	85,342	1,423,978	2,856,009
	122,745 31,018	624,252 318,012		1,092,071	3,418,713
	153,763	942,264		1,092,071	3,418,713
550	41,203	738,204	85,342	331,907	(562,704)
		(51,042)			
		(51,042)			
550	41,203	687,162	85,342	331,907	(562,704)
46,612	712,272	3,604,049	425,652	3,337,648	4,634,920
\$47,162	\$753,475	\$4,291,211	\$510,994	\$3,669,555	\$4,072,216
					(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$5,143	\$5,743	\$45,246	\$3,047
Rental income				
Intergovernmental	571,284	1,032,064	3,904,350	883,704
Fees and charges for services				
Other revenue			49,400	
Total Revenues	576,427	1,037,807	3,998,996	886,751
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			26,354	2,413
Library and community services		947,754		
Economic development				
Maintenance services				
Capital outlay	78,399		524,923	901,460
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	78,399	947,754	551,277	903,873
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	498,028	90,053	3,447,719	(17,122)
OTHER FINANCING SOURCES (USES)				
Gain on sale of land held				
Transfers in				
Transfers (out)		(56,366)		
Total Other Financing Sources (Uses)		(56,366)		
NET CHANGE IN FUND BALANCES	498,028	33,687	3,447,719	(17,122)
BEGINNING FUND BALANCES, AS RESTATED	963,930	1,432,844	8,868,232	975,580
ENDING FUND BALANCES	\$1,461,958	\$1,466,531	\$12,315,951	\$958,458

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
\$284	\$9,170	\$310	\$46,310	\$29,100	\$61,562
760,685	2,942,920	520,189			104,069
5,000			2,193,532		8,225
12,229					13,616,861
778,198	2,952,090	520,499	2,239,842	29,100	13,790,717
796,910					
		428,811	294,817		
	2,757,546				3,400,102
				5,416,028	
				2,795,772	
796,910	2,757,546	428,811	294,817	8,211,800	3,400,102
(18,712)	194,544	91,688	1,945,025	(8,182,700)	10,390,615
					3,390,000
				8,218,043	
		(4,262)			
		(4,262)		8,218,043	3,390,000
(18,712)	194,544	87,426	1,945,025	35,343	13,780,615
51,689	2,981,919	127,327	9,631,863	7,276,339	(9,212,995)
\$32,977	\$3,176,463	\$214,753	\$11,576,888	\$7,311,682	\$4,567,620

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Traffic Signal Construction</u>	<u>Performance Deposits</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:			
Other taxes			\$564,498
Special assessments			1,408,903
Investment income	\$4,183	\$2,071	807,781
Rental income			624,258
Intergovernmental			21,511,185
Fees and charges for services			2,289,758
Other revenue	20,000		16,461,791
	<u>24,183</u>	<u>2,071</u>	<u>43,668,174</u>
Total Revenues			
EXPENDITURES:			
Current:			
Public safety			919,655
Public works and transportation			4,069,040
Library and community services			1,356,861
Economic development			1,671,663
Maintenance services			1,096,327
Capital outlay	212,117		14,098,783
Debt service:			
Principal			5,416,028
Interest and fiscal charges			2,795,772
	<u>212,117</u>	<u></u>	<u>31,424,129</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(187,934)</u>	<u>2,071</u>	<u>12,244,045</u>
OTHER FINANCING SOURCES (USES)			
Gain on sale of land held			3,390,000
Transfers in	400,000		8,633,043
Transfers (out)			(1,119,667)
	<u>400,000</u>	<u></u>	<u>10,903,376</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	212,066	2,071	23,147,421
BEGINNING FUND BALANCES, AS RESTATED	790,504	30,162	56,933,548
ENDING FUND BALANCES	<u>\$1,002,570</u>	<u>\$32,233</u>	<u>\$80,080,969</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, 2021

	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		\$5,095	\$5,095		\$480,320	\$480,320
Rental income						
Intergovernmental		3,547,389	3,547,389	\$4,354,166	3,880,545	(473,621)
Fees and charges for services						
Other revenue					300,144	300,144
Total Revenues		3,552,484	3,552,484	4,354,166	4,661,009	306,843
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$806		806	5,511,005	3,385,003	2,126,002
Library and community services				1,485,586	91,095	1,394,491
Economic development					643,941	(643,941)
Maintenance services	6,000	4,256	1,744			
Capital outlay	4,090,789	2,805,523	1,285,266			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	4,097,595	2,809,779	1,287,816	6,996,591	4,120,039	2,876,552
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,097,595)	742,705	4,840,300	(2,642,425)	540,970	3,183,395
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in	15,000	15,000				
Transfers (out)	(986,000)	(986,000)				
Total Other Financing Sources (Uses)	(971,000)	(971,000)				
NET CHANGE IN FUND BALANCES	<u>(\$5,068,595)</u>	<u>(228,295)</u>	<u>\$4,840,300</u>	<u>(\$2,642,425)</u>	<u>540,970</u>	<u>\$3,183,395</u>
BEGINNING FUND BALANCES, AS RESTATED		<u>1,667,227</u>			<u>4,879,377</u>	
ENDING FUND BALANCES		<u>\$1,438,932</u>			<u>\$5,420,347</u>	

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	\$982	(\$4,518)		\$59,099	\$59,099		\$550	\$550
160,000	246,755	86,755	\$2,235,906	2,069,851	(166,055)			
165,500	247,737	82,237	2,235,906	2,128,950	(106,956)		550	550
343,185	304,094	39,091	2,638,816		2,638,816			
343,185	304,094	39,091	2,638,816		2,638,816			
(177,685)	(56,357)	121,328	(402,910)	2,128,950	2,531,860		550	550
(21,997)	(21,997)							
(21,997)	(21,997)							
(\$199,682)	(78,354)	\$121,328	(\$402,910)	2,128,950	\$2,531,860		550	\$550
	506,774			13,201,623			46,612	
	\$428,420			\$15,330,573			\$47,162	

(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, 2021

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$490,000	\$564,498	\$74,498
Special assessments						
Investment income		\$3,415	\$3,415	4,000	16,996	12,996
Rental income						
Intergovernmental		45,000	45,000	580,477	1,098,974	518,497
Fees and charges for services						
Other revenue	\$10,000	146,551	136,551	2,500		(2,500)
Total Revenues	10,000	194,966	184,966	1,076,977	1,680,468	603,491
EXPENDITURES:						
Current:						
Public safety	414,114	122,745	291,369			
Public works and transportation	117,135	31,018	86,117	1,879,526	624,252	1,255,274
Library and community services				907,622	318,012	589,610
Economic development						
Maintenance services						
Capital outlay						
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	531,249	153,763	377,486	2,787,148	942,264	1,844,884
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(521,249)	41,203	562,452	(1,710,171)	738,204	2,448,375
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(51,042)	(51,042)	
Total Other Financing Sources (Uses)				(51,042)	(51,042)	
NET CHANGE IN FUND BALANCES	(\$521,249)	41,203	\$562,452	(\$1,761,213)	687,162	\$2,448,375
BEGINNING FUND BALANCES, AS RESTATED		712,272			3,604,049	
ENDING FUND BALANCES		\$753,475			\$4,291,211	

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)
	\$2,341	\$2,341	\$1,420,709 20,459	\$1,408,903 15,075	(\$11,806) (5,384)		\$11,739	\$11,739
	83,001	83,001					2,844,270	2,844,270
	85,342	85,342	1,441,168	1,423,978	(17,190)		2,856,009	2,856,009
			2,008,816	1,092,071	916,745	\$7,185,717	3,418,713	3,767,004
			2,008,816	1,092,071	916,745	7,185,717	3,418,713	3,767,004
	85,342	85,342	(567,648)	331,907	899,555	(7,185,717)	(562,704)	6,623,013
	85,342	\$85,342	(\$567,648)	331,907	\$899,555	(\$7,185,717)	(562,704)	\$6,623,013
	425,652			3,337,648			4,634,920	
	\$510,994			\$3,669,555			\$4,072,216	

(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, 2021

	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		\$5,143	\$5,143		\$5,743	\$5,743
Rental income						
Intergovernmental		571,284	571,284	\$957,338	1,032,064	74,726
Fees and charges for services						
Other revenue						
Total Revenues		576,427	576,427	957,338	1,037,807	80,469
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				1,870,835	947,754	923,081
Economic development						
Maintenance services						
Capital outlay	\$1,318,951	78,399	1,240,552			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	1,318,951	78,399	1,240,552	1,870,835	947,754	923,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,318,951)	498,028	1,816,979	(913,497)	90,053	1,003,550
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(56,366)	(56,366)	
Total Other Financing Sources (Uses)				(56,366)	(56,366)	
NET CHANGE IN FUND BALANCES	<u>(\$1,318,951)</u>	498,028	<u>\$1,816,979</u>	<u>(\$969,863)</u>	33,687	<u>\$1,003,550</u>
BEGINNING FUND BALANCES, AS RESTATED		963,930			1,432,844	
ENDING FUND BALANCES		<u>\$1,461,958</u>			<u>\$1,466,531</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)
	\$45,246	\$45,246		\$3,047	\$3,047		\$284	\$284
\$850,661	3,904,350	3,053,689		883,704	883,704	\$66,516	760,685	694,169
	49,400	49,400					5,000	5,000
							12,229	12,229
850,661	3,998,996	3,148,335		886,751	886,751	66,516	778,198	711,682
	26,354	(26,354)		2,413	(2,413)	1,815,884	796,910	1,018,974
11,376,924	524,923	10,852,001	\$1,898,951	901,460	997,491			
11,376,924	551,277	10,825,647	1,898,951	903,873	995,078	1,815,884	796,910	1,018,974
(10,526,263)	3,447,719	13,973,982	(1,898,951)	(17,122)	1,881,829	(1,749,368)	(18,712)	1,730,656
(\$10,526,263)	3,447,719	\$13,973,982	(\$1,898,951)	(17,122)	\$1,881,829	(\$1,749,368)	(18,712)	\$1,730,656
	8,868,232			975,580			51,689	
	\$12,315,951			\$958,458			\$32,977	

(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, 2021

	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		\$9,170	\$9,170		\$310	\$310
Rental income				\$430,000	520,189	90,189
Intergovernmental		2,942,920	2,942,920			
Fees and charges for services						
Other revenue						
Total Revenues		2,952,090	2,952,090	430,000	520,499	90,499
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services						
Economic development				587,352	428,811	158,541
Maintenance services						
Capital outlay	\$5,757,547	2,757,546	3,000,001			
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	5,757,547	2,757,546	3,000,001	587,352	428,811	158,541
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,757,547)	194,544	5,952,091	(157,352)	91,688	249,040
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(4,262)	(4,262)	
Total Other Financing Sources (Uses)				(4,262)	(4,262)	
NET CHANGE IN FUND BALANCES	<u>(\$5,757,547)</u>	194,544	<u>\$5,952,091</u>	<u>(\$161,614)</u>	87,426	<u>\$249,040</u>
BEGINNING FUND BALANCES, AS RESTATED		2,981,919			127,327	
ENDING FUND BALANCES		<u>\$3,176,463</u>			<u>\$214,753</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)
\$24,000	\$46,310	\$22,310	\$3,000	\$29,100	\$26,100		\$61,562 104,069	\$61,562 104,069
2,000,000	2,193,532	193,532					8,225 13,616,861	8,225 13,616,861
2,024,000	2,239,842	215,842	3,000	29,100	26,100		13,790,717	13,790,717
5,216,867	294,817	4,922,050						
						\$23,889,010	3,400,102	20,488,908
			8,348,296 427,388	5,416,028 2,795,772	2,932,268 (2,368,384)			
5,216,867	294,817	4,922,050	8,775,684	8,211,800	563,884	23,889,010	3,400,102	20,488,908
(3,192,867)	1,945,025	5,137,892	(8,772,684)	(8,182,700)	589,984	(23,889,010)	10,390,615	34,279,625
							3,390,000	3,390,000
			8,218,043	8,218,043				
			8,218,043	8,218,043			3,390,000	3,390,000
<u>(\$3,192,867)</u>	1,945,025	<u>\$5,137,892</u>	<u>(\$554,641)</u>	35,343	<u>\$589,984</u>	<u>(\$23,889,010)</u>	13,780,615	<u>\$37,669,625</u>
	<u>9,631,863</u>			<u>7,276,339</u>			<u>(9,212,995)</u>	
	<u>\$11,576,888</u>			<u>\$7,311,682</u>			<u>\$4,567,620</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, 2021

	CAPITAL PROJECTS FUNDS		
	Traffic Signal Construction		
	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:			
Other taxes			
Special assessments			
Investment income		\$4,183	\$4,183
Rental income			
Intergovernmental			
Fees and charges for services			
Other revenue		20,000	20,000
Total Revenues		24,183	24,183
EXPENDITURES:			
Current:			
Public safety			
Public works and transportation			
Library and community services			
Economic development			
Maintenance services			
Capital outlay	\$1,110,051	212,117	897,934
Debt Service			
Principal			
Interest and fiscal charges			
Total Expenditures	1,110,051	212,117	897,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,110,051)	(187,934)	922,117
OTHER FINANCING SOURCES (USES)			
Gain on sale of land held			
Transfers in	400,000	400,000	
Transfers (out)			
Total Other Financing Sources (Uses)	400,000	400,000	
NET CHANGE IN FUND BALANCES	(\$710,051)	212,066	\$922,117
BEGINNING FUND BALANCES, AS RESTATED		790,504	
ENDING FUND BALANCES		\$1,002,570	

NON-MAJOR ENTERPRISE FUNDS

Stormwater Fund – Accounts for activities with stormwater management and urban runoff control, as required by Federal and State law.

Airport Fund – Accounts for the operation, development and maintenance of the Hayward Air Terminal.

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, 2021

	Stormwater	Airport	Recycling	Totals
Current Assets:				
Cash and investments	\$5,006,092	\$9,685,576		\$14,691,668
Accounts receivable, net	1,743,504	337,359	\$65,226	2,146,089
Due from other governments	9,989			9,989
Total Current Assets	6,759,585	10,022,935	65,226	16,847,746
Noncurrent Assets:				
Deposits, parts, supplies and other		12,918		12,918
Capital assets				
Land		244,302		244,302
Construction in progress		558,203		558,203
Depreciable capital assets, net	583	12,212,553		12,213,136
Total Noncurrent Assets	583	13,027,976		13,028,559
Total Assets	6,760,168	23,050,911	65,226	29,876,305
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	251,469	205,580	14,770	471,819
Related to OPEB	118,460	97,077	7,408	222,945
Total Deferred Outflows of Resources	369,929	302,657	22,178	694,764
LIABILITIES:				
Current Liabilities:				
Accounts payable	51,089	103,587		154,676
Accrued interest		3,834		3,834
Accrued liabilities	48,451	40,017	2,001	90,469
Refundable deposits		113,940		113,940
Due to other funds			136,051	136,051
Compensated absences, due within one year	54,750	57,783		112,533
Long term debt, due within one year		142,556		142,556
Total Current Liabilities	154,290	461,717	138,052	754,059
Noncurrent Liabilities:				
Compensated absences, due in more than one year	59,626	62,928		122,554
Net pension liabilities, due in more than one year	2,359,794	1,929,174	138,569	4,427,537
Net OPEB liabilities, due in more than one year	924,915	757,961	57,841	1,740,717
Long term debt, due in more than one year		444,274		444,274
Total Noncurrent Liabilities	3,344,335	3,194,337	196,410	6,735,082
Total Liabilities	3,498,625	3,656,054	334,462	7,489,141
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	4,055	3,315	15	7,385
Related to OPEB	500,141	409,862	31,277	941,280
Total Deferred Inflows of Resources	504,196	413,177	31,292	948,665
NET POSITION:				
Net investments in capital assets	583	12,428,228		12,428,811
Unrestricted	3,126,693	6,856,109	(278,350)	9,704,452
Total Net Position	\$3,127,276	\$19,284,337	(\$278,350)	\$22,133,263

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Stormwater	Airport	Recycling	Total
OPERATING REVENUES:				
Charges for services	\$3,597,200	\$3,383,803	\$42,546	\$7,023,549
Miscellaneous	36,000	227,018		263,018
Total Operating Revenues	3,633,200	3,610,821	42,546	7,286,567
OPERATING EXPENSES:				
Salaries and related expenses	1,957,304	1,385,036	273,748	3,616,088
Materials, supplies and services	751,169	835,915	9,621	1,596,705
Repairs and maintenance	18,846	230,634		249,480
Depreciation	165	976,764		976,929
Total Operating Expenses	2,727,484	3,428,349	283,369	6,439,202
Operating Income (Loss)	905,716	182,472	(240,823)	847,365
NONOPERATING REVENUES:				
Investment income	23,580	42,247	365	66,192
Net Nonoperating Revenues	23,580	42,247	365	66,192
Income (Loss) Before Contributions and Transfers	929,296	224,719	(240,458)	913,557
TRANSFERS				
Transfers in			600,000	600,000
Transfers (out)	(2,528,668)	(262,836)	(773,782)	(3,565,286)
Net Transfers	(2,528,668)	(262,836)	(173,782)	(2,965,286)
CHANGE IN NET POSITION	(1,599,372)	(38,117)	(414,240)	(2,051,729)
BEGINNING NET POSITION	4,726,648	19,322,454	135,890	24,184,992
ENDING NET POSITION	\$3,127,276	\$19,284,337	(\$278,350)	\$22,133,263

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Stormwater	Airport	Recycling	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$3,619,004	\$3,615,746	\$42,546	\$7,277,296
Payments to suppliers	(732,952)	(1,000,951)	(7,620)	(1,741,523)
Payments to employees	(1,931,758)	(1,641,547)	(133,450)	(3,706,755)
Net Cash Flows From Operating Activities	954,294	973,248	(98,524)	1,829,018
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:				
Interfund receipts			136,051	136,051
Transfers in			600,000	600,000
Transfers (out)	(2,528,668)	(262,836)	(773,782)	(3,565,286)
Net Cash Flows From Noncapital and Related Financing Activities	(2,528,668)	(262,836)	(37,731)	(2,829,235)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets		(463,653)		(463,653)
Principal payments on capital debt		(135,533)		(135,533)
Interest paid on capital debt		(683)		(683)
Net Cash Flows From Capital and Related Financing Activities		(599,869)		(599,869)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	23,580	42,247	365	66,192
Net Cash Flows From Investing Activities	23,580	42,247	365	66,192
NET CASH FLOWS	(1,550,794)	152,790	(135,890)	(1,533,894)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	6,556,886	9,532,786	135,890	16,225,562
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$5,006,092</u>	<u>\$9,685,576</u>	<u></u>	<u>\$14,691,668</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$905,716	\$182,472	(\$240,823)	\$847,365
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	165	976,764		976,929
Change in assets and liabilities:				
Receivables, net	(21,119)	4,925	(65,226)	(81,420)
Due from other governments	6,923			6,923
Accounts payable and other accrued expenses	37,063	60,997	2,001	100,061
Refundable deposits		4,601		4,601
Due to retirement system	63,451	7,006	123,814	194,271
Due to OPEB	(59,006)	(285,215)	81,710	(262,511)
Compensated absences	21,101	21,698		42,799
Net Cash Flows From Operating Activities	<u>\$954,294</u>	<u>\$973,248</u>	<u>(98,524)</u>	<u>\$1,829,018</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, 2021

	Workers' Compensation Insurance*	General Liability	Facilities Management
ASSETS:			
Current Assets:			
Cash and investments	\$28,659,608	\$5,378,845	\$1,280,541
Accounts receivable, net	496,445	1,694	6,016
Due from other governments			
Total Current Assets	<u>29,156,053</u>	<u>5,380,539</u>	<u>1,286,557</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			525
Depreciable capital assets, net			<u>2,523,514</u>
Total Noncurrent Assets		<u>27,021</u>	<u>2,896,787</u>
Total Assets	<u>29,156,053</u>	<u>5,407,560</u>	<u>4,183,344</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	78,928	77,093	209,251
Related to OPEB	<u>37,049</u>	<u>36,194</u>	<u>98,745</u>
Total Deferred Outflows of Resources	<u>115,977</u>	<u>113,287</u>	<u>307,996</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	47,396	218,355	320,862
Accrued interest			
Accrued liabilities*	13,640,796	6,986,692	40,322
Unearned revenue	3,800		4,600
Refundable deposits			4,439
Compensated absences, due within one year	23,970	32,557	89,122
Long-term debt, due within one year			
Total Current Liabilities	<u>13,715,962</u>	<u>7,237,604</u>	<u>459,345</u>
Noncurrent Liabilities:			
Compensated absences, due in more than one year	12,266	16,661	45,608
Net pension liabilities, due in more than one year	740,664	723,439	1,963,623
Net OPEB liabilities, due in more than one year	289,271	282,598	770,988
Long-term debt, due in more than one year			
Total Noncurrent Liabilities	<u>1,042,201</u>	<u>1,022,698</u>	<u>2,780,219</u>
Total Liabilities	<u>14,758,163</u>	<u>8,260,302</u>	<u>3,239,564</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	1,274	1,243	3,374
Related to OPEB	<u>156,421</u>	<u>152,813</u>	<u>416,906</u>
Total Deferred Inflows of Resources	<u>157,695</u>	<u>154,056</u>	<u>420,280</u>
NET POSITION:			
Net investments in capital assets			2,896,787
Unrestricted	<u>14,356,172</u>	<u>(2,893,511)</u>	<u>(2,065,291)</u>
Total Net Position	<u>\$14,356,172</u>	<u>(\$2,893,511)</u>	<u>\$831,496</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>
\$7,496,590	\$6,080,673	\$4,261,174	\$53,157,431
8,331	77,309		589,795
92,658			92,658
<u>7,597,579</u>	<u>6,157,982</u>	<u>4,261,174</u>	<u>53,839,884</u>
			27,021
			372,748
176,992	2,473,451		2,650,968
15,778,093	1,322,422		19,624,029
<u>15,955,085</u>	<u>3,795,873</u>		<u>22,674,766</u>
<u>23,552,664</u>	<u>9,953,855</u>	<u>4,261,174</u>	<u>76,514,650</u>
214,758	473,568		1,053,598
100,845	222,619		495,452
<u>315,603</u>	<u>696,187</u>		<u>1,549,050</u>
702,767	626,582	7,190	1,923,152
5,192			5,192
38,516	90,623		20,796,949
7,071	12,418		27,889
			4,439
69,740	261,978		477,367
220,936			220,936
<u>1,044,222</u>	<u>991,601</u>	<u>7,190</u>	<u>23,455,924</u>
35,689	134,067		244,291
2,015,295	4,443,995		9,887,016
787,378	1,738,173		3,868,408
606,339			606,339
<u>3,444,701</u>	<u>6,316,235</u>		<u>14,606,054</u>
<u>4,488,923</u>	<u>7,307,836</u>	<u>7,190</u>	<u>38,061,978</u>
3,463	7,634		16,988
425,769	939,904		2,091,813
<u>429,232</u>	<u>947,538</u>		<u>2,108,801</u>
15,127,810	3,795,873		21,820,470
3,822,302	(1,401,205)	4,253,984	16,072,451
<u>\$18,950,112</u>	<u>\$2,394,668</u>	<u>\$4,253,984</u>	<u>\$37,892,921</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$9,562,611		\$4,346,878
Other	74	\$31,930	194,716
Total Operating Revenues	9,562,685	31,930	4,541,594
OPERATING EXPENSES			
Salaries and related expenses	612,376	939,240	1,664,045
Materials, supplies and services	579,593	3,585,174	1,375,576
Repairs and maintenance			1,094,212
Self-funded insurance expense	1,296,191	2,412,222	
Depreciation			130,237
Total Operating Expenses	2,488,160	6,936,636	4,264,070
Operating Income (Loss)	7,074,525	(6,904,706)	277,524
NONOPERATING REVENUES (EXPENSES)			
Investment income	115,211	20,064	3,030
Interest (expense)			(2,045)
Gain (loss) on sale of capital assets			
Total Nonoperating Revenues (Expenses)	115,211	20,064	985
Income (Loss) Before Transfers	7,189,736	(6,884,642)	278,509
CONTRIBUTIONS AND TRANSFERS			
Transfers in		5,252,558	295,000
Transfers (out)	(21,308)		(48,209)
Net Contributions and Transfers	(21,308)	5,252,558	246,791
CHANGE IN NET POSITION	7,168,428	(1,632,084)	525,300
BEGINNING NET POSITION (DEFICIT)	7,187,744	(1,261,427)	306,196
ENDING NET POSITION (DEFICIT)	\$14,356,172	(\$2,893,511)	\$831,496

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$4,958,150	\$7,708,677	\$3,458,656	\$30,034,972
1,124,092	789,743		2,140,555
<u>6,082,242</u>	<u>8,498,420</u>	<u>3,458,656</u>	<u>32,175,527</u>
1,555,361	5,031,006		9,802,028
838,160	3,073,102	783,882	10,235,487
841,034	1,913,628		3,848,874
		4,520,402	8,228,815
<u>2,488,688</u>	<u>374,286</u>		<u>2,993,211</u>
<u>5,723,243</u>	<u>10,392,022</u>	<u>5,304,284</u>	<u>35,108,415</u>
<u>358,999</u>	<u>(1,893,602)</u>	<u>(1,845,628)</u>	<u>(2,932,888)</u>
32,076	21,148	17,830	209,359
(25,476)			(27,521)
<u>82,854</u>	<u>(10,725)</u>		<u>72,129</u>
<u>89,454</u>	<u>10,423</u>	<u>17,830</u>	<u>253,967</u>
<u>448,453</u>	<u>(1,883,179)</u>	<u>(1,827,798)</u>	<u>(2,678,921)</u>
	1,406,870	2,000,000	8,954,428
<u>(78,039)</u>	<u>(104,012)</u>		<u>(251,568)</u>
<u>(78,039)</u>	<u>1,302,858</u>	<u>2,000,000</u>	<u>8,702,860</u>
370,414	(580,321)	172,202	6,023,939
<u>18,579,698</u>	<u>2,974,989</u>	<u>4,081,782</u>	<u>31,868,982</u>
<u>\$18,950,112</u>	<u>\$2,394,668</u>	<u>\$4,253,984</u>	<u>\$37,892,921</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation Insurance	General Liability	Facilities Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$9,259,034	\$30,236	\$4,543,413
Payments to suppliers	(3,717,300)	(4,329,770)	(2,621,992)
Payments to employees	(568,096)	(803,832)	(1,604,463)
Cash Flows from Operating Activities	<u>4,973,638</u>	<u>(5,103,366)</u>	<u>316,958</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		5,252,558	295,000
Transfers out	(21,308)		(48,209)
Cash Flows from Noncapital Financing Activities	<u>(21,308)</u>	<u>5,252,558</u>	<u>246,791</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets			
Proceeds from sale of capital assets			
Principal payments on capital debt			(93,308)
Interest paid on capital debt			(2,106)
Cash Flows from Capital and Related Financing Activities			<u>(95,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	212,250	20,064	3,030
Cash Flows from Investing Activities	<u>212,250</u>	<u>20,064</u>	<u>3,030</u>
Net increase (decrease) in cash and cash equivalents	5,164,580	169,256	471,365
Cash and cash equivalents at beginning of period	<u>23,495,028</u>	<u>5,209,589</u>	<u>809,176</u>
Cash and cash equivalents at end of period	<u><u>\$28,659,608</u></u>	<u><u>\$5,378,845</u></u>	<u><u>\$1,280,541</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$7,074,525	(\$6,904,706)	\$277,524
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			130,237
Change in assets and liabilities:			
Receivables, net	(303,651)		355
Due from other governments			
Accounts payable and other accrued expenses	(1,841,516)	1,667,626	(152,204)
Due to retirement system	19,916	94,230	(36,935)
Due to OPEB	18,656	9,761	84,047
Compensated absences	5,708	31,417	12,470
Unearned revenue		(1,694)	1,464
Cash Flows from Operating Activities	<u><u>\$4,973,638</u></u>	<u><u>(\$5,103,366)</u></u>	<u><u>\$316,958</u></u>

Fleet Management	Technology Services	Employee Benefits	Total
\$6,184,343	\$8,499,636	\$3,458,656	\$31,975,318
(1,097,396)	(5,705,673)	(5,304,367)	(22,776,498)
(1,629,404)	(3,804,219)		(8,410,014)
3,457,543	(1,010,256)	(1,845,711)	788,806
	1,406,870	2,000,000	8,954,428
(78,039)	(104,012)		(251,568)
(78,039)	1,302,858	2,000,000	8,702,860
(2,632,913)	(1,714,571)		(4,347,484)
82,854			82,854
(333,499)			(426,807)
(27,695)			(29,801)
(2,911,253)	(1,714,571)		(4,721,238)
32,076	21,148	17,830	306,398
32,076	21,148	17,830	306,398
500,327	(1,400,821)	172,119	5,076,826
6,996,263	7,481,494	4,089,055	48,080,605
\$7,496,590	\$6,080,673	\$4,261,174	\$53,157,431
\$358,999	(\$1,893,602)	(\$1,845,628)	(\$2,932,888)
2,488,688	374,286		2,993,211
553,058	(8,703)		241,059
(92,658)			(92,658)
581,798	(718,943)	(83)	(463,322)
(155,192)	568,163		490,182
58,771	538,986		710,221
22,378	119,638		191,611
(358,299)	9,919		(348,610)
\$3,457,543	(\$1,010,256)	(\$1,845,711)	\$788,806

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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
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Custodial Funds			
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	Total
ASSETS:				
Cash and investments	\$3,760,300	\$930,831	\$33,950	\$4,725,081
Cash and investments with fiscal agents	353,843			353,843
Accounts receivable, net	3,053	844	18,403	22,300
Due from other governments	109,233			109,233
Deposits, parts, supplies and other	201,524			201,524
Total Assets	4,427,953	931,675	52,353	5,411,981
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	195,723	160	748	196,631
Deferred revenue	104,988	844	18,403	124,235
Refundable deposits	19,104		11,393	30,497
Total Liabilities	319,815	1,004	30,544	351,363
NET POSITION				
Restricted for:				
Organizations and other governments		930,671	21,809	952,480
Unrestricted	4,108,138			4,108,138
Total Net Position	\$4,108,138	\$930,671	\$21,809	\$5,060,618

CITY OF HAYWARD
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds			
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	Total
ADDITIONS				
Property tax	\$1,116,326			\$1,116,326
Intergovernmental revenue			\$262,872	262,872
Other revenue			64,270	64,270
Investment income	14,102	\$4,055	100	18,257
Total additions	1,130,428	4,055	327,242	1,461,725
DEDUCTIONS				
Maintenance services	495,442	8,384		503,826
Contractual services			203,786	203,786
Payments to bondholders	349,366			349,366
Interest and fiscal charges	217,330			217,330
Total deductions	1,062,138	8,384	203,786	1,274,308
Net change in position	68,290	(4,329)	123,456	187,417
Net position (deficit) - beginning, as restated	4,039,848	935,000	(101,647)	4,873,201
Net position - ending	\$4,108,138	\$930,671	\$21,809	\$5,060,618

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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:

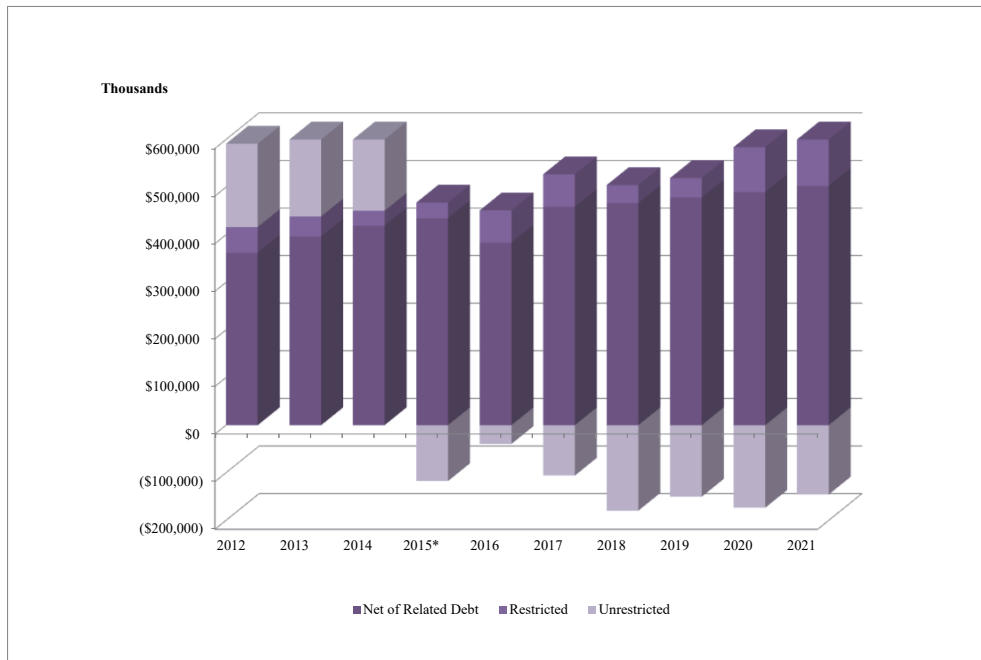
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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,									
	2012	2013	2014	2015*	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$249,020,221	\$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
Restricted	54,205,450	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
Unrestricted	35,822,808	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)
Total governmental activities net position	\$339,048,479	\$354,964,591	\$364,636,314	\$80,829,204	\$127,316,808	\$126,487,468	\$34,606,558	\$48,545,884	\$61,539,429	\$106,354,944
Business-type activities										
Net investment in capital assets	\$112,987,363	\$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
Restricted	0	0	0	0	0	0	0	0	284,001	2
Unrestricted	139,002,268	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
Total business-type activities net position	\$251,989,631	\$256,890,023	\$272,237,999	\$269,413,372	\$284,556,682	\$294,792,510	\$290,086,884	\$320,504,001	\$348,905,055	\$368,570,836
Primary government										
Net investment in capital assets	\$362,007,584	\$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
Restricted	54,205,450	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
Unrestricted	174,825,076	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)
Total primary government net position	\$591,038,110	\$611,854,614	\$636,874,313	\$350,242,576	\$411,873,490	\$421,279,978	\$324,693,442	\$369,049,885	\$410,444,484	\$474,925,780

CITY OF HAYWARD
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
General Government	\$9,417,144	\$11,162,908	\$11,989,512	\$16,245,827
Public Safety	96,991,346	100,470,925	102,494,680	106,541,527
Public Works and Transportation	12,400,798	13,689,585	8,851,489	12,295,579
Library and Community Services	7,645,958	7,490,405	8,073,175	5,150,554
Economic Development	2,078,030	1,285,830	1,432,514	835,342
Planning and Building	5,642,610	6,102,300	6,293,037	6,831,521
Maintenance Services	4,030,146	3,896,951	4,790,594	5,798,009
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	3,685,703	2,056,984	1,131,490	1,400,778
Total Governmental Activities Expenses	141,891,735	146,155,888	145,056,491	155,099,137
Business-Type Activities:				
Sewer	17,977,438	19,127,813	17,443,979	19,967,350
Water	36,010,696	38,837,206	38,252,368	36,953,171
Airport	3,271,942	3,252,108	3,443,655	3,489,917
Centennial Hall Maintenance and Operation				
Stormwater	2,235,721	2,402,138	2,419,567	2,373,574
Recycling				
Total Business-Type Activities Expenses	59,495,797	63,619,265	61,559,569	62,784,012
Total Primary Government Expenses	\$201,387,532	\$209,775,153	\$206,616,060	\$217,883,149
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$2,162,950	\$2,505,144	\$3,348,209	\$3,404,484
Public Safety	8,139,780	3,308,573	3,332,950	3,311,997
Public Works and Transportation	4,382,791	3,780,364	4,121,654	4,966,061
Library and Community Services	110,465	95,682	85,256	116,787
Economic Development	77,251		2,749,344	1,292,172
Planning and Building	4,312,438	3,541,420	5,026,469	4,536,430
Maintenance Services	399,721	710,653	1,243,660	1,504,197
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	25,163,445	6,998,650	7,634,799	10,587,001
Capital Grants and Contributions	32,561,709	26,479,205	9,066,354	5,807,599
Total Government Activities Program Revenues	77,310,550	47,419,691	36,608,695	35,526,728

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,					
2016	2017	2018	2019	2020	2021
\$14,192,819	\$16,158,933	\$36,743,529	\$26,842,761	\$30,267,967	\$24,801,183
118,423,530	128,069,028	136,621,829	130,098,500	128,620,640	139,350,883
14,414,107	25,599,837	24,077,319	26,136,150	22,129,650	26,493,672
9,047,644	7,056,242	10,673,935	10,026,345	10,983,659	11,444,270
1,762,937	152,175	1,480,505	2,177,009	2,565,850	2,981,340
7,281,726	8,628,739	11,093,298	10,688,978	10,662,520	10,430,293
6,156,886	8,288,824	11,482,643	11,993,462	12,156,273	12,442,998
1,490,140	3,078,848	3,238,555	2,863,705	2,784,563	2,551,130
172,769,788	197,032,626	235,411,613	220,826,910	220,171,122	230,495,769
23,757,316	22,755,149	19,762,825	22,065,651	20,147,930	21,928,468
38,253,454	46,225,355	52,084,024	46,827,858	47,714,898	49,135,479
3,976,602	6,348,333	4,236,680	4,045,984	3,755,558	3,428,349
3,042,678	2,450,088	2,817,649	2,793,121	2,784,429	2,727,484
				16,514	283,369
69,030,050	77,778,925	78,901,178	75,732,614	74,419,329	77,503,149
\$241,799,838	\$274,811,551	\$314,312,791	\$296,559,524	\$294,590,451	\$307,998,918
\$3,513,507	\$2,627,359	\$3,920,063	\$3,328,124	\$4,220,061	\$2,491,348
3,585,912	4,638,881	4,859,695	4,837,363	4,240,808	3,537,739
5,620,367	7,009,479	6,019,771	6,061,761	4,894,838	5,505,441
1,312,128	2,537,062	317,596	3,101,839	885,787	3,919,571
				544,108	520,189
6,060,654	6,926,489	6,294,675	7,052,017	5,479,966	5,751,306
1,088,664	1,488,851	1,555,141	1,652,433	1,489,507	1,682,246
13,611,989	11,984,727	10,626,753	14,868,015	14,757,617	29,517,552
31,255,350	1,463,593	2,472,715	4,831,794	5,780,882	5,395,405
66,048,571	38,676,441	36,066,409	45,733,346	42,293,574	58,320,797

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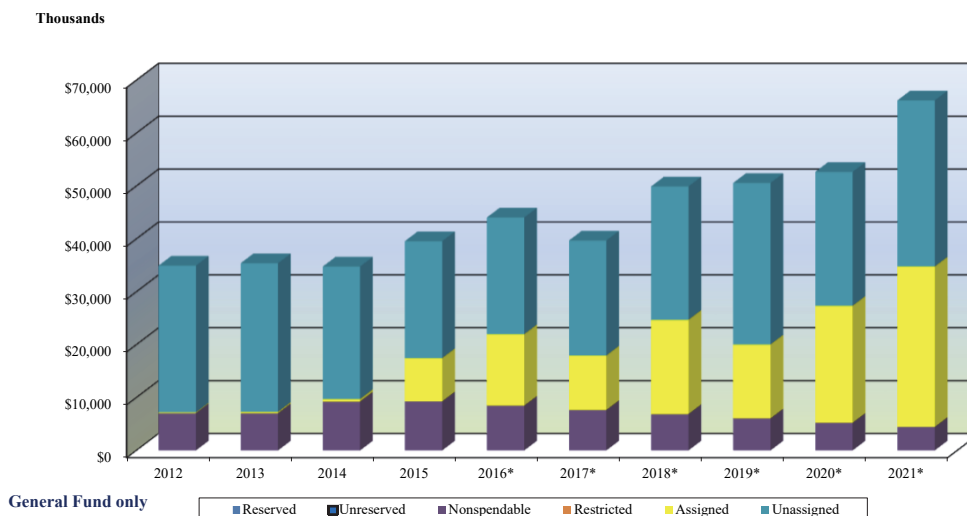
CITY OF HAYWARD
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Business-Type Activities:				
Charges for Services:				
Sewer	22,333,628	22,136,846	25,527,904	28,389,311
Water	38,463,759	43,128,089	47,045,822	44,704,910
Airport	2,917,614	2,963,971	3,365,514	2,995,362
Centennial Hall Maintenance & Operation				
Stormwater	2,738,050	2,821,653	2,777,228	2,832,703
Recycling				
Operating Grants and Contributions	119,629	88,916		
Capital Grants and Contributions				
Total Business-Type Activities Program Revenue	66,572,680	71,139,475	78,716,468	78,922,286
Total Primary Government Program Revenues	<u>\$143,883,230</u>	<u>\$118,559,166</u>	<u>\$115,325,163</u>	<u>\$114,449,014</u>
Net (Expense)/Revenue				
Governmental Activities	(\$64,581,185)	(\$98,736,197)	(\$108,447,796)	(\$119,572,409)
Business-Type Activities	7,076,883	7,520,210	17,156,899	16,138,274
Total Primary Government Net Expense	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>
Total Primary Government Net Expense from prior page	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$35,715,527	\$39,297,973	\$39,456,863	\$42,740,159
Incremental Property Tax	4,721,491			
Special Assessments	817,210			
Sales Taxes	26,346,354	29,197,989	31,019,079	39,148,631
Utility Users Tax	14,796,979	14,939,639	15,761,544	15,680,721
Real Property Transfer Tax	4,777,989	4,595,640	4,878,857	5,710,272
Franchise Tax	9,891,601	9,687,980	9,488,631	10,127,647
Business Tax	2,483,442	2,548,248	2,649,279	2,634,539
Excise Tax	1,742,210	1,868,695	1,694,229	2,142,691
Other Taxes	944,268	5,820,346	6,748,616	6,314,878
Motor Vehicle in-lieu, Unrestricted	75,744	78,484	64,954	62,743
Investment Earnings	369,203	534,927	424,910	349,196
Gain (Loss) on land held for resale				
Gain (Loss) on Sale of Capital Assets	(9,687)			(352,880)
Miscellaneous	685,054	3,192,697	3,473,568	2,996,956
Transfers (refer to ACFR Footnote 4)	2,167,125	2,889,691	2,458,989	2,618,309
Extraordinary Item (refer to ACFR Footnote 19)	<u>(9,342,122)</u>			
Total Governmental Activities General Revenues and Transfers	<u>96,182,388</u>	<u>114,652,309</u>	<u>118,119,519</u>	<u>130,173,862</u>
Business-Type Activities:				
Investment Earnings	549,982	269,873	650,066	533,521
Gain (Loss) from disposal of capital assets				
Loss on equity investment				
Miscellaneous				
Transfers (refer to ACFR Footnote 19)	<u>(2,167,125)</u>	<u>(2,889,691)</u>	<u>(2,458,989)</u>	<u>(2,618,309)</u>
Total Business-Type Activities General Revenues and Transfers	<u>(1,617,143)</u>	<u>(2,619,818)</u>	<u>(1,808,923)</u>	<u>(2,084,788)</u>
Total Primary Government General Revenues and Transfers	<u>\$94,565,245</u>	<u>\$112,032,491</u>	<u>\$116,310,596</u>	<u>\$128,089,074</u>
Change in Net Position				
Governmental Activities	\$31,601,203	\$15,916,112	\$9,671,723	\$10,601,453
Business-Type Activities	5,459,740	4,900,392	15,347,976	14,053,486
Total Primary Government	<u>\$37,060,943</u>	<u>\$20,816,504</u>	<u>\$25,019,699</u>	<u>\$24,654,939</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,					
2016	2017	2018	2019	2020	2021
33,557,099	27,000,318	26,374,872	37,064,893	30,078,797	30,144,384
46,264,199	53,565,672	59,385,204	61,614,956	61,951,757	61,842,042
3,239,400	4,161,002	3,426,086	3,611,746	3,616,344	3,610,821
2,894,801	3,066,075	3,165,846	3,328,818	5,019,351	3,633,200
	1,162,390			119,683	42,546
85,955,499	88,955,457	92,352,008	105,620,413	100,785,932	99,272,993
\$152,004,070	\$127,631,898	\$128,418,417	\$151,353,759	\$143,079,506	\$157,593,790
(\$106,721,218)	(\$158,356,185)	(\$199,345,204)	(\$175,093,564)	(\$177,877,548)	(\$172,174,972)
16,925,449	11,176,532	13,450,830	29,887,799	26,366,603	21,769,844
(\$89,795,769)	(\$147,179,653)	(\$185,894,374)	(\$145,205,765)	(\$151,510,945)	(\$150,405,128)
(\$89,795,769)	(\$147,179,653)	(\$185,894,374)	(\$145,205,765)	(\$151,510,945)	(\$150,405,128)
\$44,750,688	\$48,768,731	\$52,136,552	\$55,970,615	\$58,939,316	\$62,227,460
46,495,377	48,848,674	48,550,524	52,917,415	56,566,457	58,652,032
22,040,616	20,753,813	17,487,828	16,935,327	16,065,943	17,267,592
7,849,464	8,349,727	9,168,329	12,256,155	12,150,286	17,120,032
10,139,140	9,646,261	9,647,904	9,730,173	10,581,960	10,624,234
2,603,305	3,664,550	4,550,835	4,415,292	4,057,795	4,365,441
3,782,330	2,226,200	2,261,598	2,329,766	2,383,998	2,070,754
5,774,001	5,607,637	6,924,304	8,637,556	8,505,009	8,497,353
61,688	71,223	84,769	77,775	126,184	117,578
523,123	1,470,868	1,253,635	3,277,620	3,272,624	1,124,743
			10,982,198		3,390,000
882,491	121,761	49,910			82,854
5,505,290	5,130,121	5,514,057	7,837,732	15,167,508	18,633,107
2,801,309	2,861,623	2,621,785	3,665,266	3,054,013	3,185,444
153,208,822	157,521,189	160,252,030	189,032,890	190,871,093	207,358,624
1,019,170	1,920,919	925,665	4,305,963	5,088,464	1,081,381
		135,712	(111,379)		
(2,801,309)	(2,861,623)	(2,621,785)	(3,665,266)	(3,054,013)	(3,185,444)
(1,782,139)	(940,704)	(1,560,408)	529,318	2,034,451	(2,104,063)
\$151,426,683	\$156,580,485	\$158,691,622	\$189,562,208	\$192,905,544	\$205,254,561
\$46,487,604	(\$834,996)	(\$39,093,174)	\$13,939,326	\$12,993,545	\$35,183,652
15,143,310	10,235,828	11,890,422	30,417,117	28,401,054	19,665,781
\$61,630,914	\$9,400,832	(\$27,202,752)	\$44,356,443	\$41,394,599	\$54,849,433

CITY OF HAYWARD
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended									
	2012	2013	2014	2015	2016*	2017*	2018*	2019*	2020*	2021*
General Fund										
Reserved										
Unreserved										
Nonspendable	\$7,047,042	\$7,028,303	\$9,255,154	\$9,284,281	\$8,474,463	\$7,657,001	\$6,880,088	\$6,067,818	\$5,242,902	\$4,442,423
Restricted										
Assigned	133,571	256,170	459,100	8,150,187	13,485,813	10,276,759	17,794,142	13,959,459	22,092,043	30,317,921
Unassigned	27,763,993	28,115,304	25,052,543	22,134,362	22,098,817	21,767,997	25,248,062	30,554,839	25,348,230	31,431,063
Total General Fund (a)	<u>\$34,944,606</u>	<u>\$35,399,777</u>	<u>\$34,766,797</u>	<u>\$39,568,830</u>	<u>\$44,059,093</u>	<u>\$39,701,757</u>	<u>\$49,922,292</u>	<u>\$50,582,116</u>	<u>\$52,683,175</u>	<u>\$66,191,407</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Unreserved, reported in:										
Debt Service funds										
Special revenue funds										
Capital project funds										
Undesignated funds										
Nonspendable	\$68		\$2,239,029	\$234,029	\$293					
Restricted	48,807,530	\$22,811,952	19,827,871	33,488,600	68,772,861	\$76,555,491	\$76,190,135	\$84,761,983	\$94,077,986	\$117,664,651
Assigned	7,460,751	2,646,543	7,670,060		68,374,788	58,691,704	33,810,387	26,111,962	27,536,543	14,454,839
Unassigned	77,273	(724,802)		(2,508,938)			(1,644,451)	(5,969,846)	(9,212,995)	
Total all other governmental funds	<u>\$56,345,622</u>	<u>\$24,733,693</u>	<u>\$29,736,960</u>	<u>\$31,213,691</u>	<u>\$137,147,942</u>	<u>\$135,247,195</u>	<u>\$108,356,071</u>	<u>\$104,904,099</u>	<u>\$112,401,534</u>	<u>\$132,119,490</u>

* 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.

(b) Starting Fiscal Year ending June 30, 2011, the City's fund balances are classified in accordance with GASB54 which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned.

Source: City of Hayward Annual Comprehensive Financial Report (ACFR)

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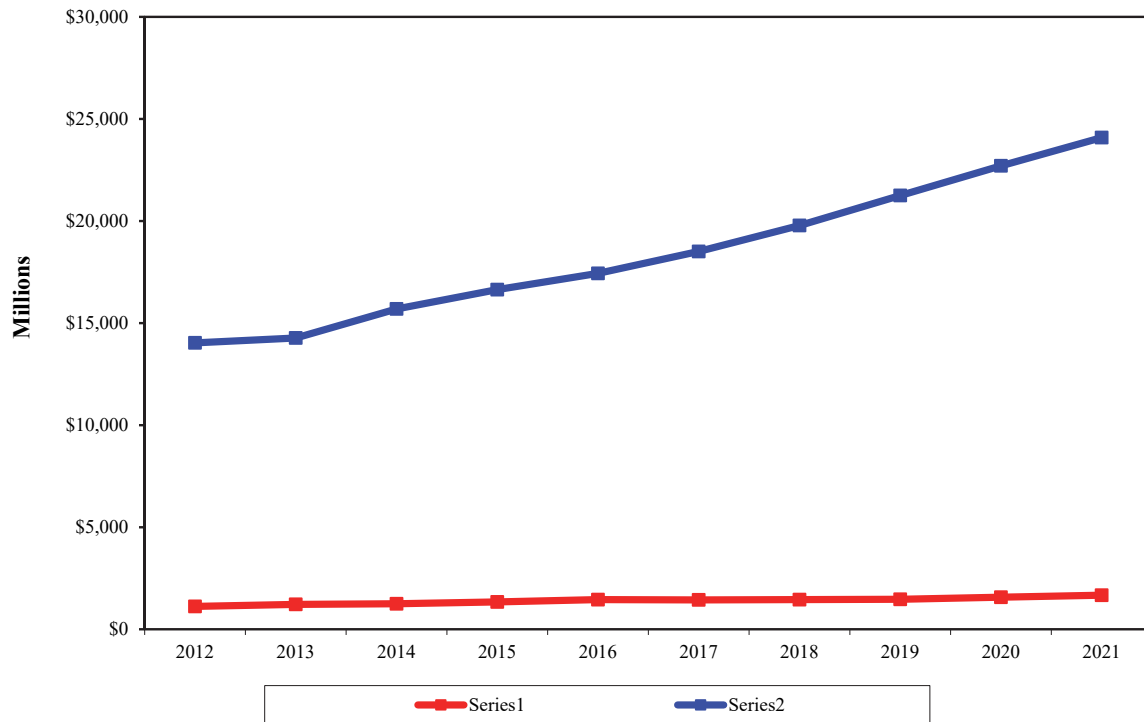
CITY OF HAYWARD
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Years Ended June 30,			
	2012	2013	2014	2015
Revenues				
Property Taxes	\$35,715,527	\$39,180,750	\$38,971,067	\$42,128,306
Property Tax Increment	4,721,491			
Sales Taxes	26,346,354	29,197,989	31,019,079	39,148,631
Utility Users Taxes	14,796,979	14,939,639	15,761,544	15,680,721
Other Taxes	20,748,138	20,630,166	21,310,770	23,424,572
Licenses and permits	3,177,816	3,605,753	4,078,392	5,031,300
Fines and forfeitures	2,951,068	2,938,106	2,285,486	2,549,034
Special Assessments	817,210	891,037	972,339	980,329
Use of money and property	1,098,574	756,670	635,092	357,388
Intergovernmental revenues	55,173,561	28,617,999	33,839,482	22,647,381
Fees and charges for services	8,851,474	8,377,718	8,172,604	7,639,834
Reimbursement from Developer	344,375	109,677	252,910	
Gain on Sale				
Other	6,565,952	1,934,141	2,402,380	5,002,806
Total Revenues	181,308,519	151,179,645	159,701,145	164,590,302
Expenditures				
Current:				
General government	8,034,218	9,841,308	10,551,378	13,702,855
Public safety	90,190,936	90,696,723	91,851,849	96,719,824
Public works and transportation	10,994,660	10,498,047	3,764,567	6,623,943
Library and community services	6,926,851	6,531,206	7,004,537	6,748,325
Economic development	4,396,669	1,847,619	2,017,787	763,285
Planning and building	5,346,481	5,806,741	5,981,108	6,495,171
Maintenance services	3,827,181	3,685,853	4,591,395	5,581,077
Nondepartmental				
Capital outlay	30,601,040	36,797,417	22,587,661	30,819,943
Debt service:				
Principal	1,751,366	1,854,870	2,216,033	2,156,489
Interest and fiscal charges	3,355,010	2,040,992	1,093,538	1,158,708
Bond issuance cost				
Pass-through payments	1,546			
Total Expenditures	165,425,958	169,600,776	151,659,853	170,769,620
Excess (deficiency) of revenues over (under) expenditures	15,882,561	(18,421,131)	8,041,292	(6,179,318)
Other Financing Sources (Uses)				
Transfer of land held for resale to cap assets				
Proceeds from sale of capital asset				
Proceeds of refunding bonds (refer to ACFR Footnote 6)				
Premium on refunding bonds issued (refer to ACFR Footnote 6)				
Payment to refunded bond escrow agent (refer to ACFR Footnote 6)				
Proceeds of repayment agreement				
Proceeds from long term debt (refer to ACFR Footnote 6)			2,488,880	5,500,000
Contributions from assessment district				
Gain on land held for resale				
Transfers in (refer to ACFR Footnote 4)	14,518,727	11,304,955	16,346,295	9,012,179
Transfers out (refer to ACFR Footnote 4)	(15,548,463)	(12,689,762)	(22,375,934)	(12,188,316)
Total other financing sources (uses)	(1,029,736)	(1,384,807)	(3,540,759)	2,323,863
Extraordinary Item (Refer to ACFR Footnote 19)	(8,009,396)			
Net Change in fund balances	\$6,843,429	(\$19,805,938)	\$4,500,533	(\$3,855,455)
Debt service as a percentage of noncapital expenditures	3.9%	3.0%	2.6%	2.4%

Source: City of Hayward Annual Comprehensive Financial Report (ACFR)

Fiscal Years Ended June 30,					
2016	2017	2018	2019	2020	2021
\$44,159,430	\$47,195,566	\$51,235,946	\$54,467,978	\$58,431,804	\$61,196,409
46,495,377	48,848,674	48,550,524	52,917,415	56,566,457	58,652,032
22,040,616	20,753,813	17,487,828	16,935,327	16,065,943	17,267,592
26,554,046	27,518,428	28,116,819	32,658,149	31,774,255	36,672,642
6,316,823	7,766,510	7,091,074	7,814,026	6,435,587	5,439,030
2,341,565	2,499,964	2,487,183	2,670,298	2,210,385	2,194,569
1,166,399	1,026,071	1,003,388	1,059,378	1,297,894	1,408,903
561,895	1,746,291	1,644,775	3,473,471	3,901,043	1,729,716
37,101,458	28,403,369	23,151,743	28,991,082	28,937,153	38,526,058
9,885,890	5,889,181	7,360,450	7,373,160	5,585,549	9,712,963
			10,982,198		
7,909,582	11,082,590	6,084,935	10,689,323	18,289,406	24,378,704
204,533,081	202,730,457	194,214,665	230,031,805	229,495,476	257,178,618
12,675,974	13,182,512	14,309,144	15,335,579	14,607,161	13,971,584
105,164,624	110,461,347	110,621,648	118,169,989	123,148,622	129,477,772
3,850,989	4,001,258	3,772,501	8,850,429	6,849,771	8,198,266
8,371,078	6,678,908	7,638,673	7,722,543	8,707,212	9,123,989
1,984,194	56,797	81,274	1,512,567	1,576,741	2,350,344
7,382,233	8,497,395	8,372,228	9,229,204	8,618,787	8,712,707
6,279,365	7,711,268	7,720,401	9,973,511	9,840,025	10,752,525
39,864,835	48,972,280	47,870,707	30,812,391	21,303,837	40,657,890
2,397,381	2,561,048	2,676,156	5,013,353	5,207,513	5,416,028
1,055,901	3,303,835	3,321,225	3,190,198	3,007,504	2,795,772
1,054,619	2,972				
190,081,193	205,429,620	206,383,957	209,809,764	202,867,173	231,456,877
14,451,888	(2,699,163)	(12,169,292)	20,222,041	26,628,303	25,721,741
87,348,775					
6,565,740					
(20,455,936)					
					3,390,000
25,098,265	40,553,431	13,461,040	40,742,247	15,104,770	12,292,089
(27,899,357)	(44,118,007)	(17,962,337)	(48,967,406)	(18,967,012)	(17,809,505)
70,657,487	(3,564,576)	(4,501,297)	(8,225,159)	(3,862,242)	(2,127,416)
\$85,109,375	(\$6,263,739)	(\$16,670,589)	\$11,996,882	\$22,766,061	\$23,594,325
2.4%	3.8%	3.8%	4.6%	4.9%	3.9%

CITY OF HAYWARD
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS



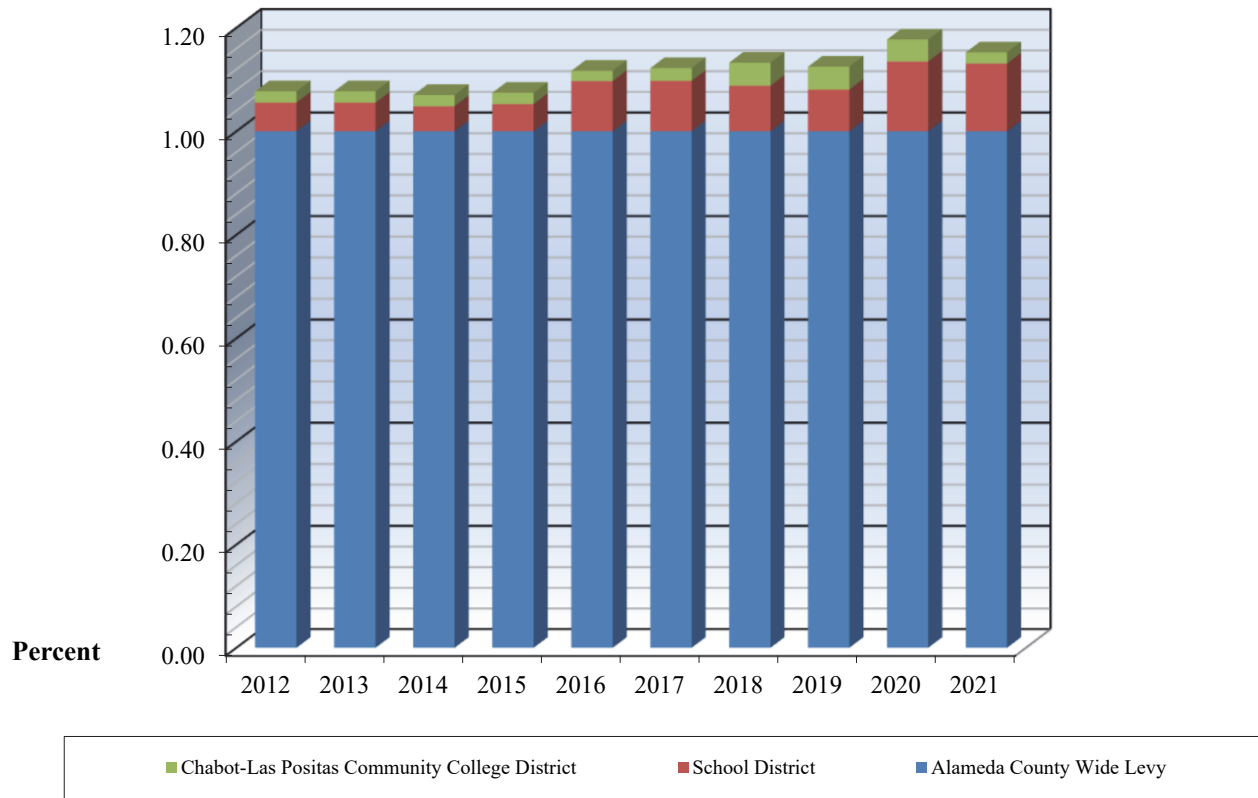
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed (c)	Estimated Full Market (a)	Direct Tax Rate (b)
2012	\$14,031,375,627	\$1,119,664,498	\$15,151,040,125	\$15,151,040,125	1%
2013	14,269,516,867	1,219,715,968	15,489,232,835	15,489,232,835	1%
2014	15,692,946,952	1,249,273,320	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%

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
2012	1.0000	0.0018	0.0000	0.0557	0.0214	0.0041		0.0071
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

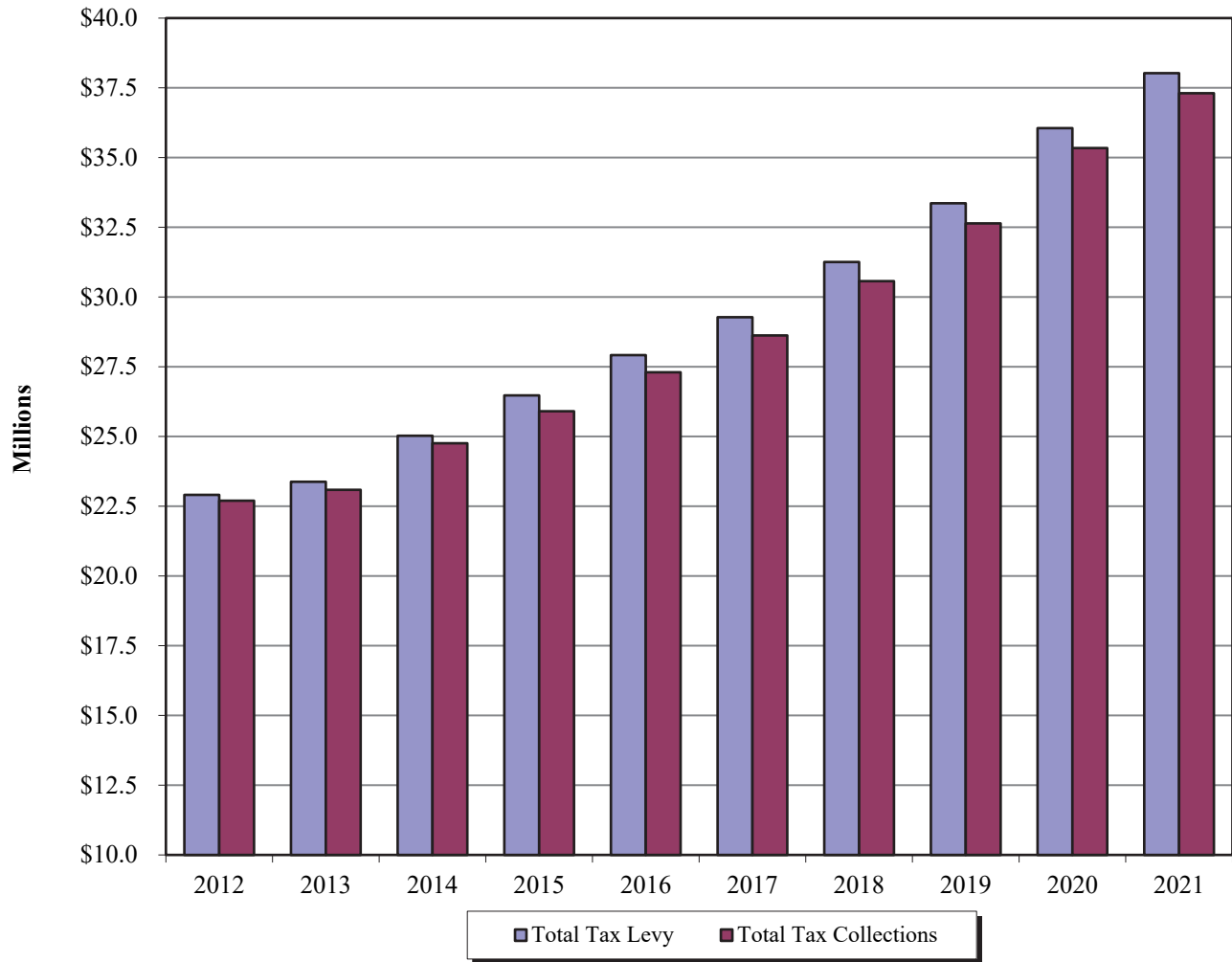
City of Hayward
Principal Property Tax Payers
Current Year and Ten Years Ago

	FY 2021			FY 2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Employer						
PSB Northern Calif Industrial Portfolio LLC						
Russell City Energy Company, LLC	\$381,400,000	1	0.014808326			
Southland Mall LP	248,416,869	2	0.009645092	\$144,259,914	2	0.90%
PSB Northern Calif Industrial Portfolio LLC	221,231,674	3	0.008589593	178,598,888	1	1.20%
Hayward 544 LLC	171,783,871	4	0.006669721			
ROC III CA Creekwood LLC	103,546,119	5	0.004020306			
Hayward Point Eden I LP	111,404,187	6	0.004325405	93,219,755	4	0.60%
Hayward Industrial Park Associates	103,825,577	7	0.004031156	88,631,990	5	0.60%
Rar2 Hayward 92 LLC	97,277,400	8	0.003776915			
SCI Limited Partnership I	81,935,670	10	0.003181254	75,049,733	8	0.50%
Bottling Group LLC	90,184,290	9	0.003501516	81,897,810	6	0.50%
Berkeley Farm Inc.				98,670,850	3	0.60%
Target Corporation				55,445,242	10	0.40%
Impax Laboratories Inc.				77,151,116	7	0.50%
Essex Wimbledon Woods Apartments, LLC				56,818,960	9	0.40%
Subtotal	\$1,611,005,657		6.25%	\$949,744,258		6.13%

Total Assessed Valuation:
Fiscal Year 2020/2021 \$25,755,780,968
Fiscal Year 2011/2012 15,489,232,835

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls

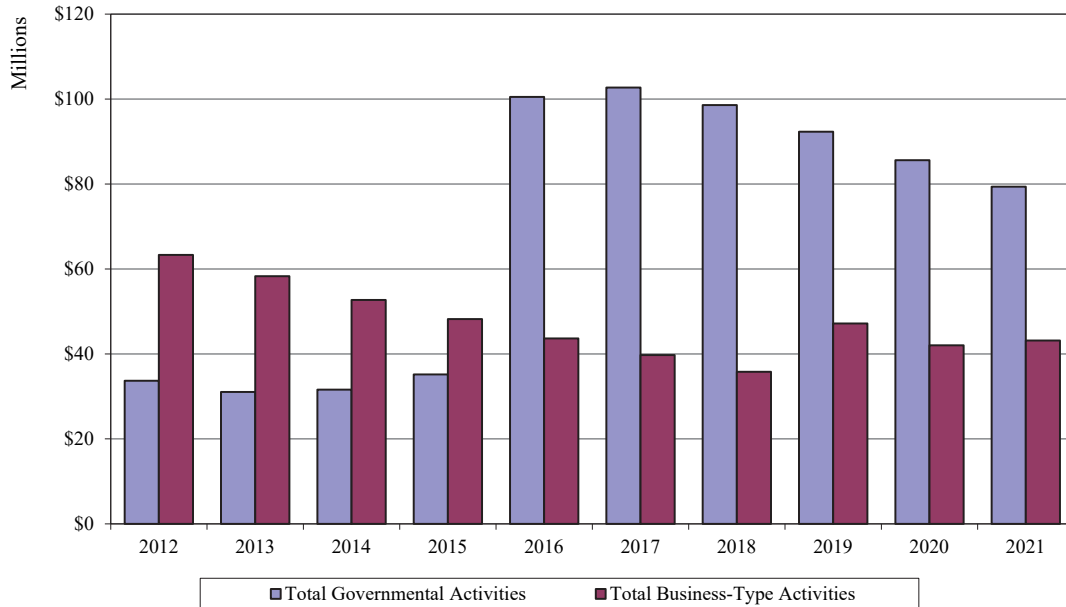
**CITY OF HAYWARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2012	\$22,905,414	\$21,746,406	94.94%	\$952,781	\$22,699,187	99.10%
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%

Source: Alameda County Assessor Office

**CITY OF HAYWARD
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**



Governmental Activities					
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	Total
2012	0 (a)	\$26,095,000	\$740,240	\$6,846,579	\$33,681,819
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

Business-Type Activities					
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Government	Government Debt Per Capita (b)
2012	\$9,277,380	\$54,047,154	\$63,324,534	\$97,006,353	659.40
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

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**

2020-21 Assessed Valuation:	\$ 25,261,794,831
Redevelopment Incremental Valuation:	(2,830,969,730)
Adjusted Assessed Valuation:	<u>\$ 22,430,825,101</u>

	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/2021	
DIRECT DEBT:				
City of Hayward General Fund Obligations	\$ 79,392,088	100.000%	<u>\$ 79,392,088</u>	<u>\$ 79,392,088</u>
Total Direct Debt				\$ 79,392,088
OVERLAPPING DEBT:				
Overlapping Tax and Assessment Debt:				
Alameda County	\$ 191,300,000	7.62%	\$ 14,578,973	
Bay Area Rapid Transit District	1,871,890,000	3%	55,202,036	
Chabot-Las Positas Community College District	593,290,000	18%	106,667,609	
Castro Valley Unified School District	149,865,000	0%	169,347	
Hayward Unified School District	706,695,575	86%	609,263,456	
New Haven Unified School District	242,539,413	14%	34,498,806	
Pleasanton Unified School District	135,065,000	0%	47,273	
San Lorenzo Unified School District	188,970,000	16%	29,305,468	
Washington Township Healthcare District	326,370,000	2%	6,135,756	
Hayward Area Recreation and Park District	102,480,000	56%	57,103,906	
East Bay Regional Park District	133,170,000	5%	6,284,292	
City of Hayward Community Facilities District No. 1	4,925,776	100%	4,925,776	
City of Hayward 1915 Act Bonds	105,000	100%	<u>105,000</u>	
Subtotal Overlapping Tax and Assessment Debt				\$ 924,287,698
Ratios to 2019-20 Assessed Valuation:				
Subtotal Overlapping Tax and Assessment Debt	4.12%			
OVERLAPPING GENERAL FUND DEBT:				
Alameda County General Fund Obligations	\$ 790,122,500	7.621%	\$ 60,215,236	
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	9.025%	1,051,864	
Hayward Unified School District Certificates of Participation	13,677,255	86.213%	11,791,572	
San Lorenzo Unified School District Certificates of Participation	9,060,000	15.508%	1,405,025	
Castro Valley and Pleasanton Unified School District Certificates of Participation	4,500,000	0.113%	5,085	
Subtotal Overlapping General Fund Debt				\$ 74,468,781
OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):	\$ 49,580,000	7.4611 & 100. %	<u>\$ 27,879,605</u>	<u>\$ 27,879,605</u>
Total Overlapping Debt				\$ 1,026,636,084
Grand Total Direct and Overlapping Debt				\$ 1,106,028,172 (2)
Combined Total Direct and Overlapping Debt				\$ 1,106,028,172 (2)
Ratio to 2020-21 Assessed Valuation:				
Combined Total Direct and Overlapping Tax and Assessment Debt	4.93%			

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	\$25,755,780,968
---	------------------

BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$3,863,367,145
--	-----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$79,392,088
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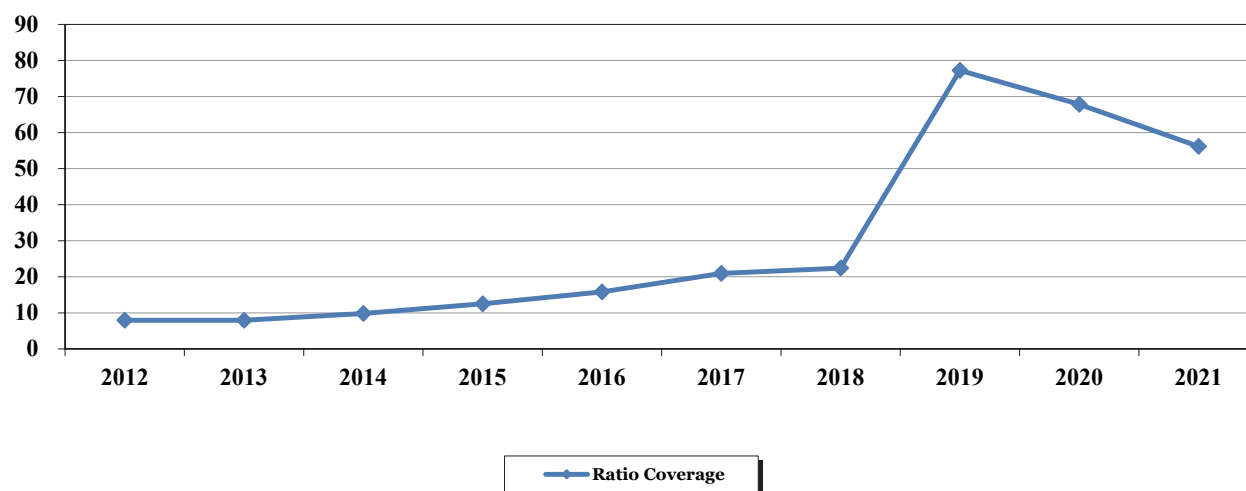
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	79,392,088
---	------------

Amount of debt subject to limit	0
---------------------------------	---

LEGAL BONDED DEBT MARGIN	\$3,863,367,145
--------------------------	-----------------

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
2012	\$2,323,384,925	0	\$2,323,384,925	0.00%
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%

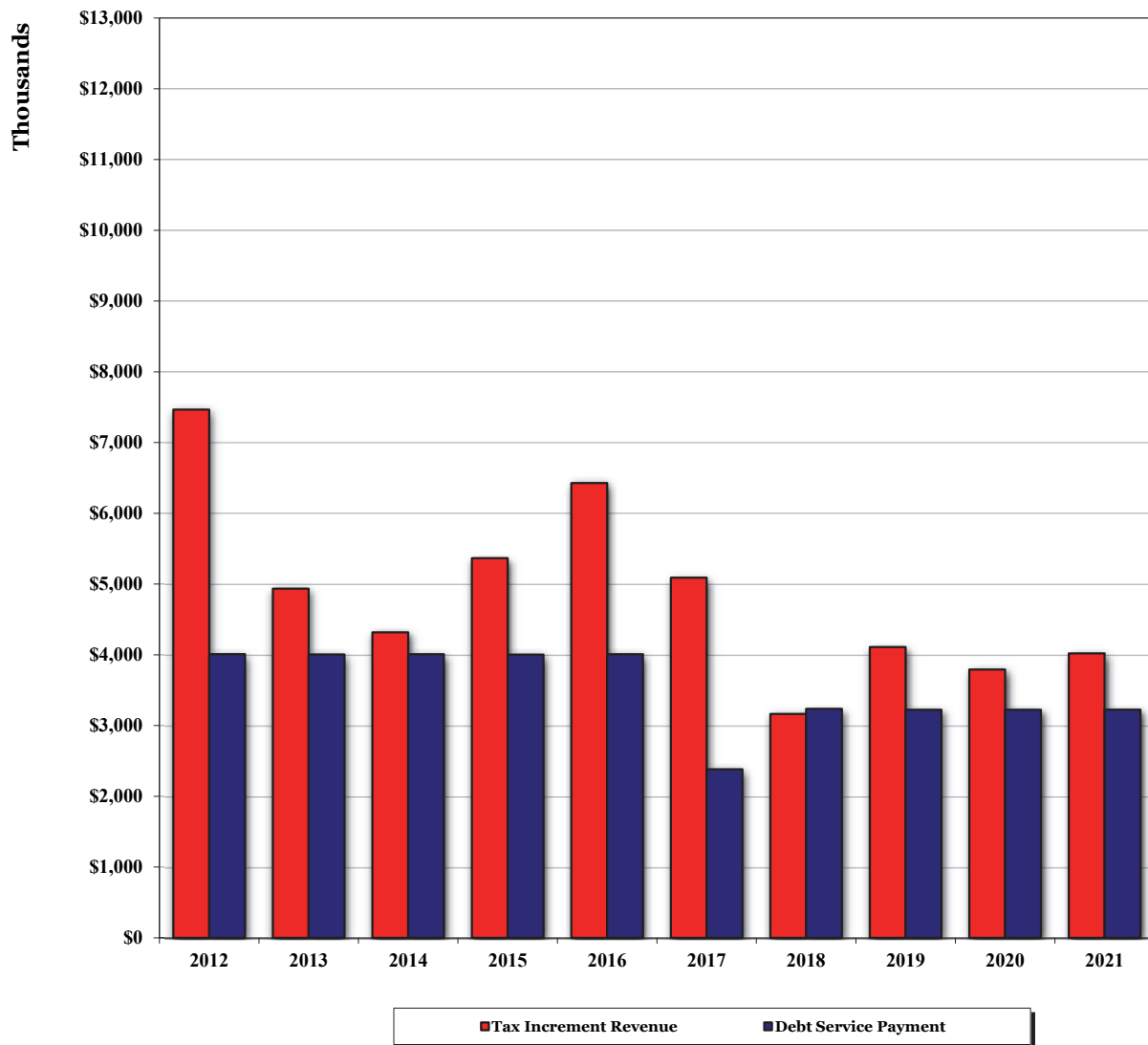
**CITY OF HAYWARD
REVENUE BOND COVERAGE
WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2012	\$61,287,200	\$45,366,632	\$15,920,568	\$1,425,000	\$577,688	\$2,002,688	7.95
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

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



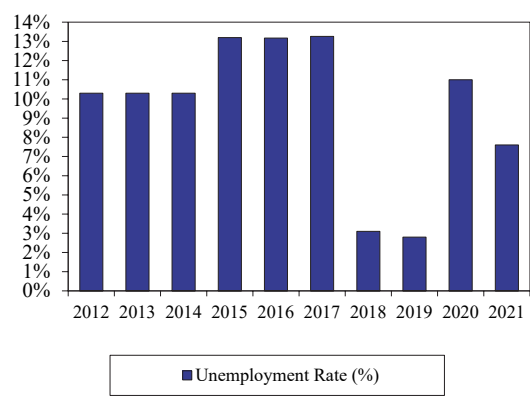
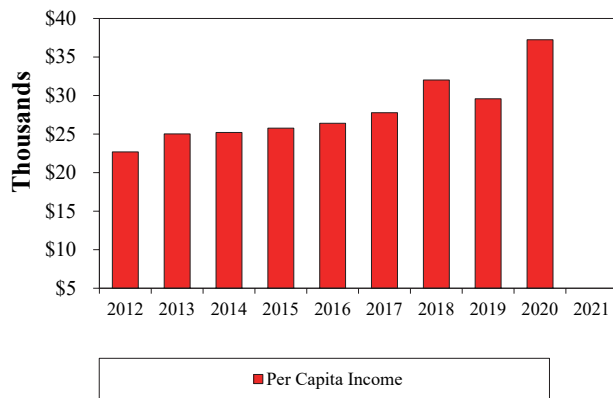
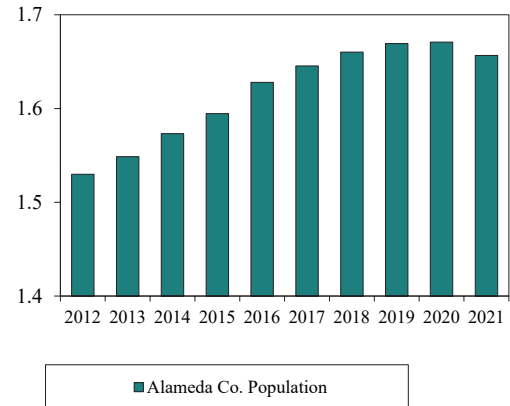
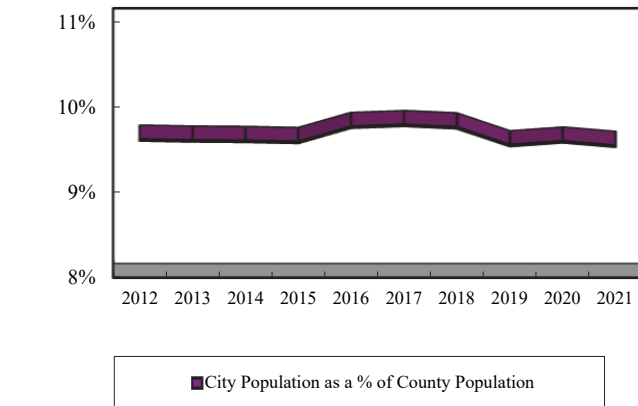
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2012	\$7,465,404	\$1,540,000	\$2,469,022	\$4,009,022	1.86
2013	4,934,694	1,605,000	2,400,322	4,005,322	1.23
2014	4,317,292	1,680,000	2,328,657	4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	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

Source: City of Hayward Annual Financial Statements

CITY OF HAYWARD

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS



Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
2012	147,113	22,681	10.3%	1,529,875	9.62%
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%

Note: FY21 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 2021</u>	<u>FY 2012</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*	1,114	4	0.8%
Baxter Bio Pharma	*			
Berkeley Farms, LLC	*			
California State University East Bay	*	1,880	2	1.3%
Chabot Community College	*	494	8	0.3%
Fremont Bank Operations Center	*			
Hayward Unified School District	*	2,200	1	1.5%
Illumina	*			
Impax Laboratories, Inc.	*			
Pentagon Technologies	*			
Plastikon Industries, Inc.	*	400	10	0.3%
Siemens Building Tech	*			
St. Rose Hospital	*	842	5	0.6%
Gillig Corporation		700	7	0.5%
Kaiser Permanente Medical Center **		1,200	3	0.8%
City of Hayward		786	6	0.5%
Kobe Precision		450	9	0.3%
Subtotal		<u>10,066</u>		<u>6.8%</u>
Total City Population Using Census Data		<u>147,113</u>		

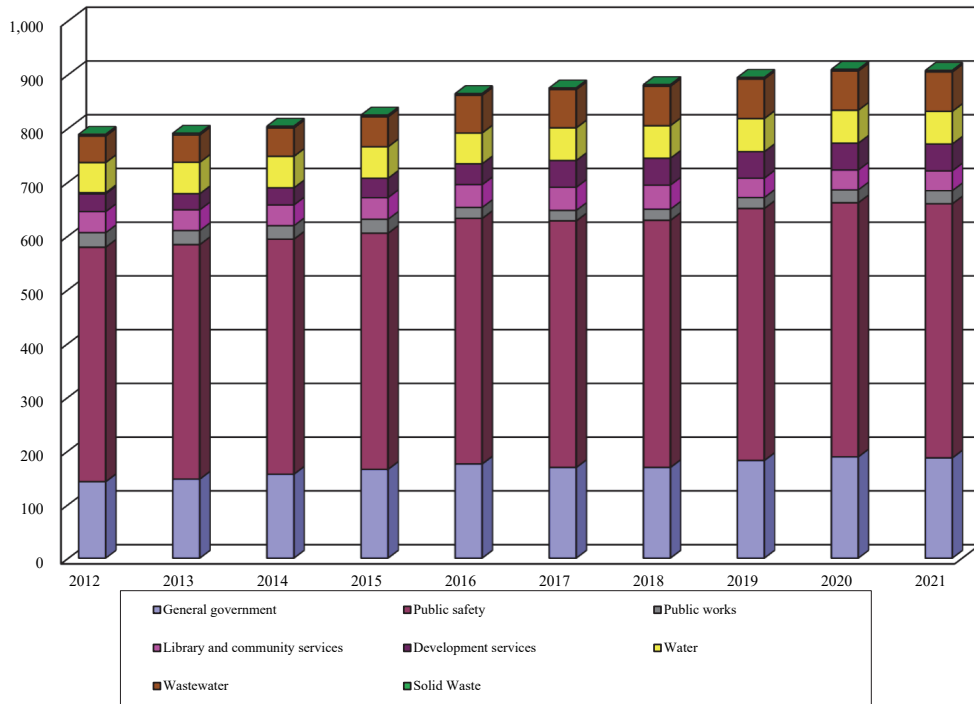
Source: City of Hayward Adopted Operating Budget FY21

Note: FY21 data not available for ranking or total employment.

* Presented in alphabetical order based on economic development's assessment.

** Closed in November 2013

CITY OF HAYWARD
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	Fiscal Years Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General government	142.00	146.90	156.00	165.00	175.00	168.50	168.50	181.50	188.25	186.25
Public safety	436.50	436.50	437.50	439.50	457.00	459.00	460.00	469.00	473.00	473.00
Public works	27.00	26.10	25.00	26.00	20.50	19.56	20.71	20.56	24.00	24.45
Library and community services	39.10	38.55	38.55	40.20	42.20	42.80	44.80	35.80	36.80	36.80
Development services	33.25	30.00	32.00	36.00	39.00	50.00	50.00	49.50	50.00	50.00
Water	56.00	58.40	58.50	58.50	57.30	60.61	60.46	61.41	61.26	60.71
Wastewater	49.50	51.00	53.00	56.00	70.40	71.58	73.58	73.78	73.24	73.34
Solid Waste	3.00	3.00	3.00	3.00	2.80	2.75	2.75	2.75	2.75	2.75
Total	786.35	790.45	803.55	824.20	864.20	874.80	880.80	894.30	909.30	907.30

Source: City of Hayward Adopted Operating Budget

*Due to City of Hayward department reorganization, Community Development and Culture and Leisure departments no longer exist.

CITY OF HAYWARD
Operating Indicators by Function/Program
Last Four Fiscal Years

Function/Program	2018	2019	2020	2021
Public safety:				
Fire alarms	18,898	18,823	18,860	18,414
Police: (Uniform Crime Reporting Statistics)				
Property crime calls	4,967	4,749	5,462	4,682
Violent crime calls (a)	633	604	568	520
Arson calls	33	28	20	19
Public works				
Pavement Condition Index (PCI)*	69	70	69	70
*Industry measure of street condition with 100 ideal score				
Annual pavement improvement projects	13	10	10	10
Airport operations count/flights	112,962	106,447	90,048	126,219
Airport reported based aircraft	470	461	461	461
Library and Community Services				
Social Services Projects Funded	20	18	18	26
Facilities Projects Funded	2	2	1	1
Economic Development Projects Funded	2	3	2	6
New Housing/Rehab Projects Funded	18	2	2	2
Public Services Projects Funded	5	5	5	18
Measure B Projects Funded	7	8	8	4
Measure BB Projects Funded	1	0	0	1
Planning				
Active Subdivisions	45	41	40	48
Active Parcel Maps	7	7	11	12
Building Permits	4,934	5,107	4,501	4,291
Residential Rental Inspections	1,039	977	943	334
Library and neighborhood services				
Library Materials in Collection	166,100	164,396	204,416	154,535
Library Circulation (Items checked out)	654,989	159,806	395,758	144,108
Community Preservation Cases	2,771	2,917	2,522	2,518
Water				
Water service connections	36,327	37,526	38,236	38,532
Water main breaks	14	21	17	19
Average daily consumption (thousands of gallons)	14,458	14,046	13,962	14,405,184
Wastewater				
Sewer service connections	34,320	34,728	35,256	35,256
Average daily treatment (thousands of gallons)	11,480	11,574	10,717	10,355
Solid Waste				
Landfilled waste recycled and diversion rate*	70%-75%	66%	66%	73%
*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

	2012	2013	2014	2015	2016
Function/Program					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	118	115	127	118	118
Police stations	1	1	1	1	1
Number of police officers (c)	197	189	199	177	186
Public works					
Miles of streets	266	266	266	266	283
Street lights	8,143	8,143	8,161	8,178	8,273
Traffic Signals	134	135	135	134	134
Airport	1	1	1	1	1
Library and neighborhood services					
City Libraries	2	2	2	2	2
Water					
Number of consumers	140,000	140,000	150,000	150,000	150,000
Average daily consumption (gallons)	15,600,000	15,500,000	15,200,000	13,600,000	12,255,000
Miles of water mains	350	370	380	385	385
Storage capacity (gallons)	29,350,000	29,350,000	29,350,000	29,350,000	29,350,000
Wastewater					
Miles of sewers	320	320	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,				
2017	2018	2019	2020	2021
9	9	9	9	9
114	129	124	122	121
1	1	1	1	1
194	176	178	181	169
283	283	283	283	283
8,288	8,238	8,327	8,327	8,327
136	143	146	146	146
1	1	1	1	1
2	2	2	2	2
155,000	160,500	159,500	159,203	162,954
12,870,000	14,650,000	14,046,000	13,962,000	14,405,184
385	385	391	391	391
30,550,000	30,550,000	25,350,000	31,250,000	25,000,000
325	325	321	321	321
1	1	1	1	1
18,500,000	18,500,000	18,400,000	18,500,000	18,500,000

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Finance Department, 777 B Street, Hayward CA 94541
www.Hayward-CA.gov



CITY OF HAYWARD

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

File #: CONS 22-081

DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT

Adopt a Resolution Approving Garbage and Recycling Rates for FY2022-2023

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving the recommended garbage and recycling annual rate increase of 2.85% for all residential and commercial accounts effective March 1, 2022.

SUMMARY

Refuse rates typically increase on March 1 of each year, in accordance with the Franchise Agreement between the City and Waste Management of Alameda County (WMAC) that became effective on March 1, 2015. Rate Year Eight (RY8) of the Franchise Agreement will commence on March 1, 2022. Per the Franchise Agreement, the rates for RY8 shall be set based on a Consumer Price Index (CPI) adjustment to WMAC's current revenues. The calculated RY8 increase is 2.85%. The City continues to negotiate with WMAC for a new Franchise Agreement that Council could approve later this year. If approved, the new Agreement may include an additional rate adjustment that would take effect in 2022.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Comparison of Monthly Garbage & Recycling Rates



DATE: February 1, 2022

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Approving Garbage and Recycling Rates for FY2022-2023

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BACKGROUND

The Franchise Agreement between the City and WMAC for garbage, recycling, and organics collection and processing is in effect for up to ten years and details a specific rate adjustment process for each year. In the first year of the contract, rates were negotiated and agreed upon at an initial rate. The rates for years two and three were increased by 3% each year. The Franchise Agreement required the rates for RY4 be set by following a detailed cost-based adjustment to ensure that WMAC received an after-tax return on its investment of 5.5%. The rate increase for RY4 was calculated to be 5.004%. Rate Years Five through Ten are to be set through an index-type of adjustment process considering the CPI, government fees, and other factors.

The Franchise Agreement with WMAC commenced March 1, 2015, and was scheduled to expire February 28, 2022. On January 18, 2022¹, Council approved a one-year extension so that the Agreement is now scheduled to expire February 28, 2023.

DISCUSSION

Staff received WMAC's rate application for RY8 in December 2021 and performed a detailed review of WMAC's application and ensured all calculations were consistent with the procedures outlined in the Franchise Agreement and confirmed the validity of the proposal. The Agreement specifies that a minimum of 3% be used as a CPI floor in the rate calculation and, coincidentally, the annual percentage change in CPI between 2020 and 2021 was 3.0%. After further contractual procedures that adjust for fees assessed by the State, County, and City, and for projected revenues for WMAC, the resulting increase applied to the RY8 adjustment calculation is 2.85%.

Staff is currently negotiating exclusively with WMAC, as authorized by Council, for a new Franchise Agreement. On January 18, 2022, Council approved an extension of the exclusive negotiating period to expire on June 30, 2022. Staff is hopeful that negotiations can be completed this spring so that Council may consider approval of a new Agreement this summer. If the Agreement is approved this summer, rates may be adjusted again in the second half of 2022.

ECONOMIC IMPACT

If approved, residents and businesses would pay 2.85% more for refuse and recycling services for the period of March 1, 2022, through February 28, 2023 or until a new contract is approved. With a 2.85% increase, the new monthly service charge for residential customers with the standard 32-gallon cart for garbage service would be \$37.67, or \$1.04 higher than the existing rate. For residents subscribing to the smaller 20-gallon cart, the new service charge would be \$25.77, or \$0.71 higher than the existing rate. For a 20-unit multi-family residential property, the total new monthly charge would be \$574.01, or \$0.79 per household higher than the existing rate. For a business with a three-cubic-yard bin for garbage, the total new monthly charge would be \$573.05, or \$15.87 higher than the existing rate. A comparison of rates with several nearby communities is included as Attachment III.

FISCAL IMPACT

With the proposed increase, which includes street cleaning and impact fees, it is projected that City revenues related to this agreement will increase by approximately \$280,000 annually.

STRATEGIC ROADMAP

This agenda item is not specifically related to the six Strategic Priorities included in the Strategic Roadmap adopted June 1, 2021. However, the franchise fees collected by the City

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5382579&GUID=C1A9EF92-809E-4109-9D94-B44070621B45&Options=&Search=>

include a Street Sweeping Fee, which supports the City's street sweeping operations and helps to address Infrastructure project 17: *Meet regulatory requirements for zero trash in stormwater by installing trash capture devices.*

SUSTAINABILITY FEATURES

The rate increase will allow the City, WMAC, and Tri-CED to continue to provide Hayward residents and businesses with recycling and composting services, so they can maximize the diversion of waste from the landfill. Solid waste management involves the safe and responsible management of discarded material from generation through processing to disposal. Reducing waste landfilled by maximizing the reuse, recycling, and composting of materials increases diversion, conserves natural resources, and plays an important role in making a community sustainable. No additional programs are contemplated as part of RY8 services.

PUBLIC CONTACT

The public was notified of the rate increase in 2014 as part of the new franchise agreement announcement mailed to all rate payers. That notice provided an estimated increase for each year of the franchise agreement and indicated that the increase that would be effective on March 1, 2022, would not exceed 6%. If Council approves the proposed rate increase, customers will be notified of the actual increase through bill inserts included with their garbage bill and a message printed on their garbage bill.

NEXT STEPS

The rate increase would be effective on March 1, 2022. If Council approves the rate adjustment, staff will work with WMAC to implement the new rates and advise customers. A brief statement regarding the fee increase will be included as a bill insert and printed on the customer's garbage bills.

Prepared by: Jeff Krump, Solid Waste Program Manager
Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 22-

Introduced by Council Member _____

RESOLUTION APPROVING THE GARBAGE & RECYCLING RATE ADJUSTMENT
FOR 2022-2023

WHEREAS, the Franchise Agreement between the City of Hayward and Waste Management of Alameda County (WMAC) became effective on March 1, 2015; and

WHEREAS, garbage and recycling rates typically increase on March 1 of each year and Rate Year Eight of the Franchise Agreement will commence on March 1, 2022; and

WHEREAS, pursuant to the Franchise Agreement the rates for Rate Year Eight shall be set based on a Consumer Price Index (CPI) adjustment to WMAC's projected Rate Year Seven revenues, which is calculated by using several factors including the CPI, government fees, and others; and

WHEREAS, the City completed the necessary review of WMAC's rate application; and

WHEREAS, calculations based on the methodology specified in the Franchise Agreement show that an increase of 2.85% is appropriate and warranted.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves the increase of 2.85%, effective March 1, 2022, for garbage and recycling rates for residential and commercial accounts in the City of Hayward that are served under the Franchise Agreement.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2022

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

Comparison of Monthly Garbage & Recycling Rates

Table 1 Multi-family Dwelling Rates (assuming 1x per week service for 20 units)

Municipality	Garbage (3cy)	Recycling (1cy)	Organics (1cy)	Total
Livermore (LSI)	\$357.20	\$89.30	\$89.30	\$535.80
Hayward (current)	\$401.38	\$7.84 per unit	Included w/ Garbage	\$558.18
Hayward (proposed)	\$412.81	\$8.06 per unit	Included w/ Garbage	\$574.01
Fremont (Republic)	\$260.59	\$7.61 per unit	\$161.76	\$574.55
Union City (Republic)	\$434.94	\$99.58	\$99.58	\$634.10
City of Alameda (ACI)	\$519.16	\$7.45 per unit	\$5.36 per unit	\$775.36
Castro Valley (ACI)	\$950.47	Included w/ Garbage	Included w/ Garbage	\$950.47
Oakland (WMAC)	\$853.36	\$16.14 per unit	Included w/ Garbage	\$1,176.16

Table 2, Single-Family Dwelling Rates

Municipality	Garbage (20 gallon)	Garbage (30-35 gallon)*	Garbage (60-64 gallon)
Hayward (current)	\$25.06	\$36.63	\$65.32
Hayward (proposed)	\$25.77	\$37.67	\$67.18
Livermore (LSI)	\$29.94	\$39.63	\$59.36
Fremont (Republic)	\$41.39	\$42.23	\$46.02
City of Alameda (ACI)	\$35.99	\$45.43	\$74.64
Castro Valley (ACI)	\$32.42	\$50.26	\$87.29
Oakland (WMAC)	\$46.13	\$52.36	\$92.29
Union City (Republic)	\$46.37	\$54.37	\$94.38

*Most common container size

Table 3 Commercial Rates (assuming 1x per week service)

Municipality	Garbage (3cy)	Recycling (1cy)	Organics (1cy)	Total
Fremont (Republic)	\$258.79	\$86.34	\$161.76	\$506.89
Livermore (LSI)	\$357.20	\$89.30	\$89.30	\$535.80
Hayward (current)	\$401.38	\$77.90	\$77.90	\$557.18
Hayward (proposed)	\$412.81	\$80.12	\$80.12	\$573.05
Union City (Republic)	\$434.94	\$99.58	\$99.58	\$634.10
City of Alameda (ACI)	\$519.16	\$138.44	\$138.44	\$796.04
Castro Valley (ACI)	\$950.47	Included w/ Garbage	Included w/ Garbage	\$950.47
Oakland (WMAC)	\$607.89	(open market)	\$191.45	-



CITY OF HAYWARD

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

File #: WS 22-004

DATE: February 1, 2022

TO: Mayor and City Council
Planning Commission

FROM: Assistant City Manager/Development Services Director

SUBJECT

Joint Work Session: Density Bonus Ordinance Update and Residential Objective Standards Project

RECOMMENDATION

That the Council and Planning Commission provide feedback and guidance on the Density Bonus Ordinance Update and the Residential Objective Standards Project.

SUMMARY

City staff is moving forward with two key housing projects in light of an evolving State legislative landscape. These key projects, which are included in the City's Strategic Roadmap and Incentives for Housing Production Plan, include the update to the City's Density Bonus Ordinance and the Residential Objective Standards Project. These planning efforts will align Hayward's goals and expectations for future development with the State's goal to address the housing crisis.

Following adoption of the City's Density Bonus Ordinance in 2005, the State of California has made significant and numerous changes to density bonus law to incentivize affordable housing and help increase housing production. In order to comply with these changes, the City must repeal and replace its existing density bonus ordinance. Additionally, to improve housing stability for Hayward residents, the Council has adopted work plans and projects as part of the Strategic Roadmap that intend to preserve, protect, and produce housing. Updating the City's Density Bonus Ordinance is one of those priority projects identified in the Strategic Roadmap.

Another key project is the development of Residential Objective Standards for residential and mixed-use development to give the community, developers, staff, and decision makers more certainty about what future development will look like as the City moves forward with these streamlined processes. Additionally, this project will further address concerns previously expressed by the Council, Planning Commission, and the community regarding a desire for more detailed standards related to architectural design and neighborhood context.

For the purposes of this work session, two staff reports have been prepared to help Council and the Planning Commission consolidate comments and feedback associated with each project (Attachment I: Staff Report on Density Bonus Ordinance Update; and Attachment II: Staff Report on Residential Objective Standards Project).

ATTACHMENTS

Attachment I	Density Bonus Ordinance Staff Report
Attachment II	Residential Objective Standards Staff Report
Attachment III	Recent Housing and Land Use Legislation Summary
Attachment IV	Minter Harnish Scope of Work, Residential Objective Standards



DATE: February 1, 2022

TO: Mayor, City Council, and Planning Commission

FROM: Assistant City Manager/Development Services Director

SUBJECT: Density Bonus Update: Review and Discuss the Updates to the City's Density Bonus Ordinance for Compliance with State Density Bonus Laws

RECOMMENDATION

That the Council and Planning Commission provide feedback and guidance on the Density Bonus Ordinance update. In particular, staff recommends that Council and the Planning Commission provide feedback on whether they would like to follow the State's formula for determining the density bonus afforded to projects, or whether they would like the City to offer additional density bonuses or incentives for certain types of projects such as senior housing or housing in proximity to transit.

SUMMARY

Following adoption of the City's Density Bonus Ordinance in 2005, the State of California has made significant and numerous changes to density bonus law to incentivize affordable housing and help increase housing production. In order to comply with these changes, the City must repeal and replace its existing density bonus ordinance. Additionally, to improve housing stability for Hayward residents, the Council has adopted work plans and projects as part of the Strategic Roadmap that intend to preserve, protect, and produce housing. Updating the City's Density Bonus Ordinance is one of those priority projects identified in the Strategic Roadmap.

As part of our Ordinance update, the State has determined a default formula for what density bonus, number of incentives, and parking standards a project qualifies for, based on the share of affordable or senior units included in the project. To be consistent with State law, the City must repeal the existing Ordinance and adopt a new Ordinance that establishes a procedure for processing density bonus applications using the State's formula. If the City desires to go above and beyond what is required by the State, the City may tailor the State's formula to further incentivize certain types of housing. Suggestions for consideration are projects that include senior housing and/or are in proximity to public transit such as the BART line.

BACKGROUND

The current Density Bonus law (California Government Code Sections 65915 – 65918) entitles a property owner or developer to build more housing units than a local zoning ordinance would otherwise allow, if they reserve a share of the units for low income or senior residents. This law can result in a minimum density bonus of 20% - for projects that reserve at least 5% very low income, 10% lower income, or 10% moderate income for sale units - and up to an 80% density increase for projects in which all units are affordable (or a three-story height increase with unlimited density within that envelope, in the case of 100% affordable projects within ½ mile of a high-quality transit stop). Projects that qualify for a density bonus also may qualify for up to four incentives and reduced parking requirements. The density bonus may be claimed by developers and property owners even if a local jurisdiction has not yet updated its density bonus ordinance to be compliant with the State directive.

To improve housing stability for Hayward residents, Council has adopted work plans (Preserve, Protect, Produce Housing for all Priority of the Strategic Roadmap and the Incentives to Housing Production Work Plan) that intend to preserve, protect, and produce housing. Both plans direct staff to not only conform Hayward Density Bonus with state law and but also explore density bonus greater than maximum.

In response to recent State housing legislation, the City of Hayward sought out and was awarded a SB 2 Planning Grant by the California Department of Housing and Community Development. Of the \$310,000 awarded to the City, \$235,000 is earmarked for the Objective Standards component of this project with the remaining \$75,000 dedicated towards updating the City's Density Bonus Ordinance in order to bring it into compliance with State law.

Existing Density Bonus Ordinance. The City's existing Density Bonus Ordinance was adopted in 2005. This ordinance aimed to ensure that land developed for market rate affordable housing would also provide incentives for projects that included affordable housing.

The Density Bonus Ordinance offered developers or property owners a bonus ranging from 5-35% density increase, depending on how many affordable housing units the developer included in a project. Per the Ordinance, the following are minimum thresholds which qualify for a density bonus:

- 10% of units set aside for lower income households
- 5% of units set aside for very low-income households
- Senior Citizen Housing Development or Mobile Home Park
- 10% moderate income for purchase (in a common interest development)
- Projects that donate land to the city for affordable housing development, in line with the requirements described in the ordinance
- Projects that include an on-site childcare facility (the project should be located in a neighborhood that lacks childcare facilities)
- Projects that convert apartments to condominiums that will make at least 33% of units affordable to moderate income households

In addition to a density bonus, housing projects qualify for up to three incentives, depending on how much affordable housing they provide. An incentive (also called a concession) can be a reduction in development standards, including a reduction in setback or square footage

requirements, or a reduction in required parking. An applicant may request another type of incentive if they can justify why that incentive is necessary.

California Density Bonus Law Amendments. Since 2005, the State of California has amended their density bonus law several times through the following legislation to expand and promote opportunities to provide affordable housing:

- SB 1227 (adopted in 2018): provides density bonuses for projects that include student housing.
- AB 1763 (adopted in 2019): strengthens the density bonus considerably by allowing up to an 80% density bonus and a fourth incentive if 100% of the units are deed restricted for lower income households. If the development proposed 100% affordable units within a half-mile of a major transit stop, this bill allows an additional 3-story height limit increase and unlimited density within that building envelope.
- AB 2345 (adopted in 2020): increases annual reporting requirements and strengthens the density bonus, including by allowing developers to request an elimination of all parking requirements for 100% affordable developments within a half mile of a major transit stop.
- SB 728 (adopted in 2021): clarifies requirements for the purchaser of a “for-sale” moderate income unit that qualifies the developer for a density bonus.
- SB 290 (adopted in 2021): grants incentives to projects that include 20% of the total units for lower-income students in a student housing development. It also requires the local agency to report on student housing projects receiving density bonuses as part of a housing element annual report.
- AB 634 (adopted in 2021): permits local agencies to require an affordability period longer than 55 years to qualify for the incentives provided for under the State Density Bonus Law.

Current State Density Bonus Law. The current State density bonus law offers applicants a 20% to 80% density increase, depending on how many affordable or senior housing units a developer includes in a project. Additionally, for projects that provide 100% affordable units, applicants are allowed unlimited density bonus and an additional three stories of building height if located near a major transit stop. Under the current State law, the following are the minimum thresholds that qualify a project for a density bonus:

- 5% of units set-aside for low income households
- 10% of units set-aside for lower income households
- 10% of units for-sale to moderate income households
- 100% of units set-aside for very low, lower, and moderate-income (with maximum 20% moderate)
- 10% of the housing units are for transitional foster youth, disabled veterans or homeless persons, with rents restricted at the very low-income level
- 20% of units for low-income college students in housing dedicated for full-time students at accredited colleges
- The project donates at least one acre of land to the city for very low-income units
- The project is a senior citizen housing development (no affordable units required)
- The project is a mobile home park age-restricted to senior citizens (no affordable

units required)

In addition to the density bonus, projects can also qualify for up to four incentives, plus relaxed parking requirements. Jurisdictions are required to develop a procedure for processing density bonus applications, and the State law supersedes more conservative formulas specified in local density bonus ordinances. A more detailed comparison between the City's Ordinance and the State's Density Bonus laws are discussed below.

DISCUSSION

Comparison of the City's Density Bonus Ordinance and the State's Density Bonus law. As previously noted, the City's existing Density Bonus Ordinance from 2005 does not align with current State law. The current State law offers more density, more incentives, and additional relaxed parking requirements to projects that qualify for the density bonus. The list of qualifying projects for the Hayward Density Bonus Ordinance also differs from the list of projects that qualify for the State Density Bonus Ordinance. As such, the State's Density Bonus formula takes precedence; however, the City can change the formula to offer a higher density bonus and more incentives for certain projects but under no circumstances can the City offer smaller density bonuses or fewer incentives than the State formula mandates. For example, if the City wants to incentivize and promote senior housing, the City could offer senior housing projects a higher density bonus instead of the standard 20% density bonus that the State requires, but in order to provide that bonus, the City must update our local Ordinance to include that provision. A summary comparison is shown in Table 1 below.

Table 1: Comparison Hayward's Density Bonus Ordinance vs. State Density Bonus law

	<i>Amount of Bonus Allowed</i>	<i>Maximum # of Incentives</i>	<i>Misc.</i>
Hayward Density Bonus Ordinance	5 to 35% Density Bonus	1 to 3 incentives (parking counts as one incentive)	
California Density Bonus law	20 to 80% Density Bonus	1 to 4 incentives	Relaxed parking requirements

Note: Under current California law, any development standard that would prevent a developer from achieving either the density bonus, incentives, or parking requirements they are entitled to, is waived. The above table does not capture all cases – for instance, a 100% affordable project within ½ mile of public transportation qualifies for a waiver of the parking requirements fully waived, a 3-story height increase, and an unlimited density increase within that building envelope.

In addition to bringing Hayward's density bonus formula into compliance with the state's formula, repealing and replacing the density bonus ordinance will help Hayward come into compliance with the State's requirement that all jurisdictions develop a procedure for processing density bonus applications. Hayward's existing procedure does not include a timeline for processing the application and puts the burden of proof (that an incentive provides cost savings) on the applicant rather than the City.

Examples from Other Jurisdictions. Most jurisdictions in Alameda County have adopted Density Bonus ordinances or are in the process of drafting an ordinance. Some jurisdictions, like Oakland, have outdated density bonus ordinances, but are only updating to reflect the thresholds adopted by State law. Because State law changed significantly in 2021, many of these measures were passed very recently and there is limited data on their efficacy. Below are a few examples of what other jurisdictions have adopted as part of their Density Bonus Ordinance:

1. *Pre-define preferred incentives to expedite staff approval (San Jose)*

Under the State Density Bonus Law, jurisdictions may reject a developer-proposed incentive if the City can show that it:

- Would not result in identifiable and actual cost reductions;
- Would have a specific adverse impact on health and safety, or;
- Would be contrary to state law.

San Jose's Density Bonus Ordinance pre-defines four incentives that will not be deemed to have an adverse impact on public health or safety. By specifying pre-approved incentives, they hope to speed the review of density bonus applications that request these incentives and exert some control over which incentives developers seek. Developers may still request other incentives, but any incentive not specified in the ordinance will be reviewed by the city to determine its impact, which may delay the permit approval. The San Jose ordinance does not specify the approval authority for density bonus applications as the approval authority for a density bonus application is the same as any non-density bonus project.

2. *Create guidelines to help staff and applicants define incentives and process applications (Berkeley)*

The City of Berkeley's Density Bonus Ordinance has created guidelines for what will constitute one incentive (i.e. exceedance of a single dimensional standard, such as building height, which would otherwise require approval by the zoning officer, Council, or zoning administration board counts as one incentive).

3. *Create an ordinance that is flexible enough to accommodate future changes to state law.*

Many cities in Alameda County have density bonus ordinances that thoroughly outline the state density bonus formula at the time that they were written. Because the State has frequently amended the density bonus law in the last several years, the following jurisdictions have density bonus ordinances that are out of date: Livermore, Emeryville, Albany, Oakland, San Leandro, Fremont, and Alameda. Ordinances are more likely to remain in compliance if they only cite the State formula without thoroughly describing it within the ordinance, and if it's noted that that the formula is subject to future changes, per changes in state law. However, it is possible to list the full formula in the ordinance and just update it frequently as required by State law. Both San Mateo and Palo Alto have up-to-date ordinances that list the full density bonus formula, which they updated in 2021.

4. *Offer additional incentives for desirable development types (Sonoma County, El Segundo)*

Cities are entitled to offer developers a larger density bonus than the default State law formula if they wish. For example, Sonoma County offers a 100% density bonus to projects that provide 40% low-income housing. Under State law, the same project would only get a 50% density bonus.

Offering a larger bonus to certain types of projects can add additional incentive for those development types. El Segundo is considering offering an additional density bonus to senior housing projects to encourage developers to provide senior housing, a need in their city. The current Hayward Density Bonus Ordinance provides a density bonus for projects that will

include on-site childcare facilities. There is an opportunity in Hayward with this new Density Bonus ordinance to potentially offer additional density or more incentives to projects that provide student housing or lower income ownership housing.

Review and Approval of Density Bonus Applications. To apply for a density bonus under the City's current ordinance, an applicant must submit a Density Bonus Application, along with a description of what is being requested, why the project qualifies, an administrative fee as specified in the Master Fee Schedule, and several other required documents. All Density Bonus applications in the City are reviewed and approved by the Planning Commission by default. However, the application moves to the Council if the project involves another permit or entitlement requiring Council approval, such as a rezoning or General Plan Amendment. In the latter case, the Planning Commission makes a recommendation to the Council regarding project approval or denial and adoption of any applicable CEQA documents, including a recommendation on the density bonus request.

If Council and Planning Commission determine it is appropriate, applications under this new ordinance could be considered by the lowest approving body, which in straightforward cases may be an administrative staff approval. Streamlining density bonus applications could save the developer and City time and money. It could support the goals identified in the two housing work plans adopted by Hayward by incentivizing housing production.

Summary. As discussed in this report, the City needs to update its Density Bonus Application to bring it into compliance with State Law. Staff is interested in direction from the Planning Commission and Council on the following questions:

- Does the Council and Planning Commission prefer to follow the State's density bonus formula with no changes, or should the City offer additional incentives for certain types of housing? If so, what types of housing should the ordinance further incentivize (i.e., student, lower income ownership, senior)?
- Does the Council and Planning Commission want to align the density bonus approval process with the standard entitlement process to streamline permitting?

STRATEGIC ROADMAP

In January 2020, the Council adopted six Strategic Priorities as part of its three-year Strategic Roadmap:

1. Preserve, Protect & Produce Housing
2. Grow the Economy
3. Combat Climate Change
4. Improve Infrastructure
5. Improve Organizational Health
6. Support Quality of Life

This agenda item supports the Strategic Priority of Preserve, Protect and Produce Housing for all. Specifically, this item relates to the implementation of the following project (s):

Project 4: Implement housing incentives and production work plan in accordance to state housing limits

Project 4b: Amend Density Bonus Ordinance

FISCAL IMPACT

The proposed budget for this project is \$75,000, which will be covered and paid through the HCD SB2 Planning Grant awarded in 2019. At this time, staff does not anticipate any additional costs associated with this project or fiscal impacts to the City's General Fund.

NEXT STEPS

Following the work session with the Council and Planning Commission, staff will work with the consultants to draft a new ordinance to conform with State law and incorporate feedback and recommendations of Council and the Planning Commission. Staff and the consultant team expect to bring the new draft ordinance to the Homelessness and Housing Task Force and the Planning Commission for recommendation in April with Council consideration in May 2022. Finally, the consultant team will create two informational documents to aid staff in processing applications: a developer checklist and an informational report in word document form which can be updated in response to future state laws.

Prepared by: Jeremy Lochirco, Acting Planning Manager
Christina Morales, Housing Division Manager
Suzanne Avila, AICP, Principal Planner
Farhad Mortazavi, Principal Planner
Laurel Mathews, Associate Planner

Recommended by: Jennifer Ott, Assistant City Manager/Development Services Director

Approved by:



Kelly McAdoo, City Manager



DATE: February 1, 2022

TO: Mayor, City Council, and Planning Commission

FROM: Assistant City Manager/Development Services Director

SUBJECT: Residential Objective Standards and Zoning Consistency Update: Review and Discuss the Residential Objective Standards and Zoning Consistency Update Project

RECOMMENDATION

That the Council and Planning Commission provide initial guidance and feedback on the Residential Objective Standards and Zoning Consistency Update Project with particular attention to the questions outlined in this report.

SUMMARY

In response to recent State housing legislation pertaining to streamlined development review and objective standards, in 2019, the City of Hayward sought out and was awarded a SB 2 Planning Grant by the California Department of Housing and Community Development. Of the \$310,000 awarded to the City, \$235,000 is earmarked for a project to develop detailed objective residential standards and implement targeted zoning updates to ensure General Plan and Zoning Ordinance consistency.

Following a Request for Proposals (RFP) process conducted in November and December 2021, consulting firm Mintier Harnish was selected to support the City in this project, which is anticipated to be completed by the end of 2022. At this joint session, which constitutes the public kick-off of the Objective Residential Standards and Zoning Consistency Updates Project, staff is requesting specific feedback from the Council and Planning Commission on the following questions:

- What qualities of residential development should the objective standards address (e.g. massing, relationship to surrounding development, frontage types, windows/privacy, landscaping, colors/materials, and/or parking)?
- What stakeholders should be engaged as part of this project?
- What outreach strategies should be utilized for this project?

BACKGROUND

Recent State Housing Legislation. In recent years, the California legislature has adopted and amended several housing and land use laws to address the state's housing crisis. Specifically, the State Department of Housing and Community Development (HCD) found that California needs an estimated 1.8 million new homes by 2025 to meet projected demand, yet on average, only 80,000 new homes are built per year.¹ The Housing Action Plan developed by the State includes several strategies to achieve these targets including streamlining housing construction, lowering per unit costs, developing production incentives for jurisdictions meeting housing goals, defining accountability and enforcement to strengthen local compliance with housing laws, and creating dedicated funding sources for housing.

Since 2017, the State legislature has adopted numerous housing bills to achieve the goals and strategies outlined in the Housing Action Plan. While the legislature has adopted dozens of bills over the past few years, a few have significantly changed typical planning and approval processes. Specifically, Senate Bill (SB) 35, SB 330 and SB 8, are aimed at streamlining land use entitlements. Streamlining is generally used to limit and define local control and discretion thus providing developers with more certainty in timing and outcomes for residential and mixed-use developments.

- SB 35 (2017) streamlines housing development approvals on infill sites that comply with “objective standards,” meet minimum affordability requirements, are not environmentally sensitive, and if the developer pays prevailing wage and use a “skilled and trained workforce” for projects over a certain threshold.
- SB 330 (2019) requires cities to approve housing development projects that comply with all applicable objective standards and freezes impact and other fees in place when a pre-application is filed and deemed complete.
- SB 8 (2021) builds upon SB 330 by expanding the definition of a “housing development project” to include single family dwelling units.

Other legislation includes updates to Accessory Dwelling Unit (ADU) and Density Bonus law and adoption of SB 9 and SB 10, are aimed at allowing a greater number and variety of housing types.

- ADU law (updated 2020) allows for development of accessory dwelling units on single-family and multi-family zoned properties.
- Density Bonus Law (AB 1763, 2020) allows for an 80% density bonus if 100% of the units are deed restricted for lower income households, and provides an unlimited density bonus if the housing development is located within one-half mile of a major transit stop.
- SB 9 (2021) requires ministerial approval for urban lot splits and two-unit developments on single family properties that meet certain criteria.
- SB 10 (2021) allows cities to upzone multifamily parcels within a certain proximity to high frequency transit to permit up to ten residential units and bypasses the CEQA process for the zone change.

¹ California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025 prepared by California Department of Housing and Community Development. https://www.hcd.ca.gov/policy-research/plans-reports/docs/sha_final_combined.pdf

More information about new housing and land use legislation is outlined within Attachment III.

Objective Residential Standards and Zoning Consistency Project. In 2019, the City of Hayward was awarded a SB 2 Planning Grant by HCD for various housing related activities. A portion of these grant funds are earmarked for the development of more detailed objective residential standards. The grant funds for this project will also cover zoning amendments to ensure General Plan and Zoning Ordinance consistency for parcels that are zoned for single family uses but have underlying General Plan designations that require higher densities.

This project will give the community, developers, staff, and decision makers more certainty about what future development will look like as we move forward with these State mandated streamlined processes. This project will further address concerns previously expressed by the Council, Planning Commission, and the community regarding a desire for more detailed standards related to architectural design and neighborhood context. Ultimately, this project will align Hayward's goals and expectations for future development with the State's goal to address the housing crisis.

Request for Proposals and Consultant Selection. On November 5, 2021, the City released a RFP to seek a consultant to assist with the Objective Residential Standards and Zoning Consistency Project. In response to the RFP, the City received one proposal from Mintier Harnish. A committee of staff representing the City's Planning Division and Housing Division reviewed the proposal and interviewed the firm before confirming that Mintier Harnish is the capable and preferred team to complete the work. On January 25, 2022, the Council authorized the City Manager to negotiate and execute a contract with Mintier Harnish to complete the proposed project. Minter Harnish's Scope of Work and Budget are attached to this staff report as Attachment IV.

DISCUSSION

As defined by the Housing Crisis Act, a development standard is considered to be objective if it involves no "personal or subjective judgement by a public official." Due to the recent changes in State housing law outlined above, residential projects that meet certain requirements, including consistency with applicable objective standards, must be approved.

The Hayward Municipal Code already includes some basic objective standards for residential zoning districts, including height limits, setback minimums, and lot coverage maximums. More recently adopted portions of the Municipal Code, such as sections governing the Downtown Specific Plan area and the Mission Boulevard corridor, provide much more extensive objective standards for residential development, including standards related to allowable frontage and building types, façade articulation, and architectural elements. Adopting more detailed objective residential standards for all residential zoning districts will help ensure that future housing development is attractively designed in a manner consistent with the community's goals and objectives. Additionally, more detailed objective standards will provide developers with greater certainty as to what is expected during the development review process.

At this joint session, which constitutes the public kick-off of the Objective Residential Standards and Zoning Consistency Updates Project, staff is requesting specific feedback from the City Council and Planning Commission on the following:

- What qualities of residential development should the objective standards address (e.g. massing, relationship to surrounding development, frontage types, windows/privacy, landscaping, colors/materials, and/or parking)?
- What stakeholders should be engaged as part of this project?
- What outreach strategies should be utilized for this project?

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect and Produce Housing for All. Specifically, this item relates to the implementation of the following project (s):

Project 4, Part 4d: Implement housing incentives and production work plan in accordance to state housing limits; Develop an Overlay Zoning District to allow RS zoned properties (single family residential) to develop into a variety of housing types at densities permitted under the applicable General Plan designation.

FISCAL IMPACT

Mintier Harnish's proposed budget is \$204,910. Additionally, the consultant team has proposed a \$30,000 contingency to cover any unanticipated costs, bringing the total budget to \$234,910, all of which will be paid through the HCD SB2 Planning Grant awarded in 2019.

NEXT STEPS

Following the joint Council and Planning Commission work session, staff will incorporate any comments received into the Objective Residential Development Standards and Zoning Consistency Project. As part of the project's robust Community Engagement Strategy, four more study sessions and two public hearings are planned with these bodies.

Prepared by: Elizabeth Blanton, AICP, Senior Planner
Taylor Richard, Assistant Planner

Recommended by: Jennifer Ott, Assistant City Manager/Development Services Director

Approved by:



Kelly McAadoo, City Manager

Recent Housing and Land Use Legislation

Page #	Bill	Summary
2	SB 8 (2021)	This bill extends and clarifies the Housing Crisis Act of 2019 (SB 330), which speeds up residential project approvals. Notably, it now includes single family homes as subject to the HCA.
3	SB 9 (2021)	This bill allows a lot to be divided into 2 lots, and each of those lots to have up to 2 homes, any of which could be sold separately.
5	SB 10 (2021)	This bill simplifies the lengthy and costly process to rezone, as long as the rezone is limited to up to 10 homes per lot. A jurisdiction has the ability to decide whether or not to implement SB 10.
6	SB 478 (2021)	This bill creates a maximum to the minimum lot size a city can require.
7	AB 2345 (2020)	This bill expands existing state Density Bonus law to allow developers to build more homes in exchange for a higher set aside of affordable units. Specifically, a developer may now receive a 50% increase in their project's density in exchange for reserving either 15% of units at Very-Low-Income (VLI) levels, or 24% of units at Low-Income. A developer can also receive a 50% bonus by reserving 44% of their units for Moderate-Income households, but only in for-sale projects. The law also provides more flexibility for earning Density Bonus concessions (e.g., lower parking requirements, reduced setbacks, etc.). AB 2345 can help a developer make a project pencil where inclusionary requirements are higher by providing more bonus density to offset the higher percentage of affordability.
9	AB 1763 (2019)	This bill creates enhanced density bonus options, including a potential 80 percent increase in base density and unlimited density bonuses for qualifying projects within a half-mile of a major transit stop, under the State Density Bonus Law. However, this only applies to projects that consist of 100 percent affordable housing (no more than 20 percent moderate-income, and the remainder for lower-income).
11	SB 330 (2019)	The Housing Crisis Act of 2019 tightens the protections for residential development projects under the Housing Accountability Act by limiting a jurisdiction's ability to change development standards and zoning applicable to the project once a preliminary application is submitted. Streamlines the permitting and approval processes, limits the number of public hearings, discourages demolition of existing housing and ensures no net loss in zoning capacity.
13	SB 35 (2017)	This bill streamlines multifamily housing project approvals, at the request of a developer, in a city that fails to issue building permits for its share of the regional housing need by income category. (Hayward currently falls into this category.) In a SB 35 city, approval of a qualifying housing development on qualifying site is a ministerial act, without CEQA review or public hearings.
16	ADUs (2016-2021)	AB2299, AB 2406 and AB 670 are among 14 bills that requires ministerial, nondiscretionary approval of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). For more information, please review the attached guidelines from California Department of Housing and Community Development (HCD).

SB 8 (Skinner) – 2021

Currently in effect, sunsets 1/1/2030

Background:

The Housing Crisis Act of 2019 requires a housing development be subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application is submitted. It also prohibits approving a housing development project that requires the demolition of occupied or vacant protected units unless the developer agrees to provide the occupants of any protected units with relocation benefits and a right of first refusal for a comparable unit available in the new housing development that is affordable to the household.

Overview:

This bill clarifies that for various purposes the Housing Crisis Act of 2019, that “housing development project” **includes projects that involve no discretionary approvals, projects that involve both discretionary and nondiscretionary approvals, and projects that include a proposal to construct a single dwelling unit.** It does not affect a project for which an application was submitted before 1/1/22.

This bill also specifies that the act **does not prohibit an affordable housing project from being subject to ordinances, policies, and standards adopted after the preliminary application was submitted if the project has not commenced construction within 3.5 years.**

It also **limits the requirement to provide relocation benefits and a right of first refusal to only the occupants of protected units** that are lower income households. It does not apply to an occupant of a short-term rental of fewer than 30 days.

Exemptions

- Applications submitted after 1/1/19, but before 1/1/20, that are in a jurisdiction with a population under 31,000 that has adopted a rent or price control ordinance.
- Projects with a single residential unit located on a site where a single protected unit is being demolished are exempt from the right of first refusal requirement
- Protected units in a housing development where 100% of the units are reserved for lower income households, not including any manager’s units, are also exempt from right of first refusal unless the occupant of a protected unit qualifies for residence in the new development and the occupant is not precluded from occupancy due to unit size limitations or other requirements of one or more funding source of the housing development.

This legislative update is provided for general information purposes only and does not constitute legal advice. Urban Planning Partners is a private firm providing planning and environmental consulting services for both governmental agencies and the private sector.

Questions related to this legislative update may be directed to Meredith Rupp at mrupp@up-partners.com

SB 9 (Atkins, Caballero, Rubio, Wiener) – 2021

Status as of 9/16/2021: Chaptered by Secretary of State. Chapter 162, Statutes of 2021.

This bill will be effective on January 1, 2022.

Overview:

SB 9 requires cities to **ministerially approve construction of two units on any parcel zoned for single-family residential** and requires cities to ministerially approve "urban lot splits" to **subdivide any residential lot into two lots of equal size no smaller than 1,200 square feet each.**

Cities may only require up to one additional off-street parking space per unit. Ministerial approval does not include a public hearing. Some local zoning provisions would be preempted if the provisions preclude development of two units on a single-family lot.

Impact:

This bill is considered by many to be the most significant housing bill coming out of California's 2021 legislative session. SB 9 could expand the supply of smaller-scaled housing, particularly in higher-resourced, single-family neighborhoods. It builds on recent ADU legislation that allowed ADUs on nearly all California single-family parcels. SB 9 allows for the development of new, for-sale homes, either on a newly subdivided lot or through the conversion of existing single family homes into multiple units.

According to the [Turner Center](#), the ability to create duplexes and/or split the lot and convey new units with a distinct title:

- Allows property owners to pursue a wider range of financing options than are available for ADU construction to build these new homes.
- Open up new homeownership opportunities at more attainable price points for prospective purchasers, who would be able to apply for a traditional mortgage to buy the home.
- Depends on local context because:
 - 1) It does not apply to single-family parcels in historic districts, fire hazard zones, and rural areas
 - 2) Local market prices and development costs play a large role in determining where there is financial viability for the addition of new homes.
 - 3) Physical constraints, such as small lot sizes and other local regulations, can limit the number of new homes built as a result of this bill.

The Turner Center analysis found "that SB 9's primary impact will be to unlock incrementally more units on parcels that are already financially feasible under existing law, typically through the simple subdivision of an existing structure. **Relatively few new single-family parcels are expected to become financially feasible for added units as a direct consequence of this bill.**"

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Other potential impacts include:

- Loss of local control and local decision-making including due process and public hearings
- Environmental review under CA Environmental Quality Act (CEQA) not required
- Increases parking issues

Limitations:

- SB 9 does not apply to projects which require demolition or alteration of affordable housing
- SB 9 does not apply to projects which would require demolition of more than 25% of an existing structure (walls)
- SB 9 does not apply to projects located within a historic district or designated as a historic landmark

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SB 10 (Wiener) – 2021

Goes into effect 1/1/22

Overview

Existing law provides for various incentives intended to facilitate and expedite the construction of affordable housing.

This bill authorizes local governments to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel:

- Notwithstanding any local restrictions on adopting zoning ordinances
- At a height specified in the ordinance
- If the parcel is located in a transit-rich area *or* an urban infill site

Implementation & Limitations

- SB 10 maintains local control, as a local legislative body must pass a resolution to adopt the plan.
- It will not impact project approvals or CEQA exemptions for projects.
- Local governments can determine which individual projects will be ministerial or subject to discretionary approval.
- The bill prohibits an ordinance adopted under these provisions from superseding a local restriction enacted or approved by a local initiative that designates publicly owned land as open-space land or for park or recreational purposes.
- The zoning ordinance must clearly demarcate the areas subject to the ordinance
- The legislative body must make a finding that the ordinance is consistent with the city or county's obligation to affirmatively further fair housing.
- The ordinance must be adopted by a 2/3 vote of the members of the legislative body if the ordinance supersedes any zoning restriction established by local initiative.
- An ordinance adopted under these provisions cannot reduce the density of any parcel subject to the ordinance

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SB 478 (Wiener) – 2021

This bill is effective on January 1, 2022

Overview:

- This bill prohibits local agencies from imposing a floor area ratio (FAR) standard that is less than 1.0 on a housing development project that consists of 3 to 7 units, or less than 1.25 on a housing development project that consists of 8 to 10 units.
- The bill prohibits local agencies from imposing a lot coverage requirement that would physically preclude a housing development project from achieving the FARs described above.
- The bill prohibits a local agency from denying a housing development project located on an existing legal parcel *solely on the basis* that the lot area of the proposed lot does not meet the local agency's requirements for minimum lot size.
- The bill only applies to housing development projects that is located in a multifamily residential zone or a mixed-use zone

Background:

Existing law requires HCD to notify jurisdictions and the Attorney General if a jurisdiction is in violation of state law due to their housing element (or an amendment to that element), or any specified action or failure to act, does not substantially comply with housing element law. The Davis-Stirling Common Interest Development Act governs the management and operation of common interest developments. Existing law makes void and unenforceable all instruments affecting the transfer or sale of a planned development that effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use that meets specified standards.

Enforcement:

The bill requires HCD to identify violations by a local government of these provisions. This bill adds the Housing Crisis Act of 2019 to the specified provisions of law for which the department is required to give notice of a violation.

This bill **makes void and unenforceable** all covenants and restrictions (or conditions contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a planned development), and **any provision of a governing document that effectively prohibits or unreasonably restricts a housing project from using the FAR standards authorized under this bill.**

The bill does not apply to provisions that impose reasonable restrictions that do not make the implementation of a project subject to the FAR standards infeasible.

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AB 2345 (Gonzalez & Chiu) – 2020

Overview: This bill expands existing state Density Bonus law to allow developers to build more homes in exchange for a higher set aside of affordable units. Specifically, a developer may now receive a 50% increase in their project's density in exchange for reserving either 15% of units at Very-Low-Income (VLI) levels, or 24% of units at Low-Income. A developer can also receive a 50% bonus by reserving 44% of their units for Moderate-Income households, but only in for-sale projects. The law also provides more flexibility for earning Density Bonus concessions (e.g., lower parking requirements, reduced setbacks, etc.). AB 2345 can help a developer make a project pencil where inclusionary requirements are higher by providing more bonus density to offset the higher percentage of affordability.

Background: Previous density bonus law allows developers to build more densely in exchange for making a certain percentage of the project's units affordable to certain income levels. In addition to increased density, the law also previously allowed projects to claim other incentives to facilitate housing development, such as lowered parking requirements. However, the Turner Center's 2018 California Residential Land Use Survey revealed that most cities saw little to no use of California's density bonus law. So this bill expands the existing law to allow developers to build more homes in exchange for a higher set aside of affordable units.

	Current Density Bonus Law	AB 2345
Very Low Income (VLI)	35% bonus for 11% VLI units	50% bonus for 15% VLI units
Low Income (LI)	35% bonus for 20% LI units	50% bonus for 24% LI units
Moderate Income (MI)	35% bonus for 44% MI units (for-sale only)	50% bonus for 44% MI units (for-sale only)

Eligibility Criteria:

Under AB 2345, which takes effect on January 1, 2021, the maximum available density bonus for projects not composed exclusively of affordable housing will increase from 35 to 50 percent, where additional affordable units are built. To receive the top bonus, a project must comply with unit replacement requirements and set aside at least (1) 24 percent of units for low-income households, (2) 15 percent of units for very low-income households, or (3) 44 percent of for-sale units for moderate-income households.

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Bonuses between 35 and 50 percent will be granted on a sliding scale, while current affordability requirements to obtain a lesser bonus will remain unchanged.

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California's Density Bonus Law: 2020 Update

January 21, 2020

California's Density Bonus Law provides housing developers with tools to encourage the development of much needed affordable and senior housing. In 2019, the California Legislature passed new legislation that provides for an 80% density bonus to be granted to 100% affordable housing projects, the largest density bonus ever required under California law. That legislation, [Assembly Bill 1763](#), also requires other benefits to be provided to 100% affordable projects which allows them to be built denser and taller than under prior law. The changes will be particularly helpful to affordable housing projects that qualify for federal and state low income housing tax credits, which are the types of housing projects most often developed as 100% affordable. Effective January 1, 2020, the new legislation reflects the Legislature's commitment to maintaining and fortifying the Density Bonus Law as a critical tool for incentivizing affordable housing development in California.

These legislative changes are outlined below and incorporated into the 2020 update of our Guide to the California Density Bonus Law. Please click [here](#) to read or print out the 2020 Guide. If you have questions about the Density Bonus Law or information in the Guide, please contact the author of the Guide, Meyers Nave attorney [Jon Goetz](#), at 800.464.3559 or jgoetz@meyersnave.com.

Bigger Density Bonus. For housing projects where all of the units are affordable to low, very low and moderate income residents, AB 1763 more than doubles the state-required density bonus to 80%. Before AB 1763, California's density bonus law provided developers up to a 35% increase in project densities, set on a sliding scale based on the amount of affordable housing provided. The 80% density bonus represents the first time the Legislature has specifically tailored a density bonus to completely affordable housing projects, and has allowed owners to meet affordable rent requirements with the maximum rents allowed under the low income housing tax credit program. If the project is located within a half mile of a major transit stop, AB 1763 goes even further by eliminating all local government limits on density, and allowing a height increase of up to three stories or 33 feet.

More Incentives and Concessions. Prior to the passage of AB 1763, projects qualifying for a density bonus were entitled to one to three "incentives" and "concessions" to help make the development of affordable and senior housing more economically feasible, such as reduced setback and minimum square footage requirements as requested by the developer. AB 1763 provides a fourth incentive and concession to 100% affordable projects. Local governments are required to grant the applicant's proposed concession or incentive unless it would not reduce project costs, would cause public health or safety or environmental problems, would harm historical property, or would be otherwise contrary to law. Qualifying developers are entitled to incentives and concessions even without a

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elimination of parking requirements, special needs projects must offer paratransit service or be located within ½ mile from an accessible bus route.

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SB 330 - 2019

Overview: SB 330 tightens the protections for development projects under the HAA by limiting a jurisdiction's ability to change development standards and zoning applicable to the project once a preliminary application is submitted.

Background: Prior law held that standards in place at the time an application was complete were applicable and thus jurisdictions could change applicable standards during the application process in order to preclude it from qualifying for HAA protection.

Protections: The Housing Crisis Act of 2019 includes a number of new procedural protections, including the following:

- *Preliminary Application Protections* – limitations on a jurisdiction's ability to change development standards and zoning applicable to the project once a "preliminary application" is submitted. The bill also reduces the time in which a lead agency is required to approve or disapprove certain housing projects
- *Application Completeness Streamlining* – amends the Permit Streamlining Act to specify what constitutes a "preliminary application" and states that a jurisdiction has one chance to identify incomplete items in an initial application and after that may not request the submission of any new information that was not in the initial list of missing items
- *Fees/Exactions Limitations* – prevents jurisdictions from increasing exactions or fees during a project's application period, but allows such increases if the resolution or ordinance establishing the fee calls for automatic increases in the fee over time
- *Hearing Limitations* – prohibits cities or counties from conducting more than five hearings if a proposed housing development complies with the applicable, objective general plan and zoning standards in effect at the time an application is deemed complete. This prevents jurisdictions from undertaking a protracted approval process in which projects can stall because of financing or other issues
- *Downzoning Prohibitions* – prohibits a jurisdiction (with some exceptions) from enacting development policies, standards or conditions that would change current zoning and general plan designations of land where housing is an allowable use to "lessen the intensity of housing"; from placing a moratorium or similar restrictions on housing development; from imposing subjective design standards established after Jan. 1, 2020; and limiting or capping the number of land use approvals or permits that will be issued in the jurisdiction, unless the jurisdiction is predominantly agricultural
- *Historic Nature Determinations* – requires jurisdictions to make a determination on the historic nature of a planned housing development site at the time the application is deemed complete. This determination remains valid for the pendency of the development process

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If the development project does not start construction within 2 ½ years of final approval or the project is modified to include 20 percent or more residential units or square footage, then a jurisdiction can subject a project to new standards.

Some of the most important provisions in SB 330 sunset on Jan. 1, 2025, if not extended.

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SB 35 — 2017

Overview: SB 35 streamlines multifamily housing project approvals, at the request of a developer, in a city that fails to issue building permits for its share of the regional housing need by income category. In a SB 35 city, approval of a qualifying housing development on a qualifying site is a ministerial act, without CEQA review or public hearings.

Qualifying cities: To qualify, cities must meet the following criteria:

- City fails to submit an annual housing element report for two consecutive years prior to the date when a development application is submitted; or
- City issues fewer building permits than the locality's share of RHNA in each of the four income categories for the last four-year reporting period, as determined by HCD.

Qualifying sites: Developments must be located on a site that:

- Is within a city that includes some portion of an urbanized area (population 50,000 or more) or urban cluster (population between 2,500 and 50,000);
- Is on an infill site (at least 75% of the perimeter adjoining parcels are developed with urban uses); and
- Is zoned for residential use or residential mixed-use development or has a General Plan designation that allows residential use or a mix of residential use and nonresidential uses, with at least two-thirds of the square footage of the development designated for residential use.

Qualifying developments: Development sites are excluded if they are located in an ecologically protected area, including coastal zones, prime farmland, wetlands, high fire severity zones, earthquake fault zones, hazardous waste sites, floodplains or floodways, and lands under conservation easement. Developments are also excluded if they would demolish:

- A historic structure;
- Any housing occupied by tenants in the past 10 years; or
- Housing that is subject to rent or price control.

Developments must:

- Abide by certain inclusionary requirements (10% must be affordable to households earning 80% or less of AMI if the city did not meet its moderate income RHNA, or 50% must be affordable to households earning 80% or less of AMI if localities did not meet its low-income RHNA); and
- Pay prevailing wages and use a "skilled and trained workforce."

In 2018, HCD's first assessment of cities subject to SB 35 identified that 97.6% of California cities and counties were eligible for streamlining. The majority of metros (378) are subject to streamlining for developments with at least 10% affordable housing. Only twelve cities and counties are not able to apply for SB 35 status between 2018 and 2020: Beverly Hills, Carpinteria, Carmel-by-the-Sea, San Anselmo, Sonoma County, Santa Barbara County, Foster City, Hillsborough, Lemon Grove, San Fernando, Napa County, and West Hollywood.

Ministerial approval: If a city determines that the development is in conflict with the city's objective planning and design review standards then it must provide written documentation within 60 days of submittal if the

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development contains 150 or fewer housing units and within 90 days of submittal if the development contains more than 150 units. “Objective standards” involve “no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.”

Approvals must be completed within 90 to 180 days (depending on the number of units in housing development) and must be ministerial and not subject to CEQA.

No parking requirements can be imposed on a SB 35 housing development project if it is located:

- Within a half-mile of public transit;
- Within an architecturally and historically significant historic district;
- In an area where on-street parking permits are required but not offered to the occupants of the development; or
- Where there is a car-share vehicle located within one block of the development.

One parking space per unit can be required of all other SB 35 projects.

Length of approval: The approval does not expire if the project includes public investment in housing affordability beyond tax credits where 50% of units are affordable to households earning less than 80% of AMI. If the project does not include 50% of units affordable to households earning less than 80% of AMI, approval automatically expires in three years except for a one-year extension if significant progress has been made in preparing the development for construction (such as filing a building permit application). All approvals remain valid for three years and as long as vertical construction has begun and is in progress.



Litigation: In January 2019 the City of Huntington Beach filed a lawsuit seeking to overturn SB 35. The lawsuit contends that the state’s Constitution grants charter cities exclusive authority over local land use and zoning.

Expected Impact: As of June 2019, SB 35 has resulted in the approval of approximately 4,000 housing units currently underway.

1900 Fourth Street, Berkeley: In 2018, this project became one of the first in the state to apply for SB 35 status. The development would have included 260 units of housing, half of which would have been subsidized housing for low-income families. The project was proposed on what is currently a parking lot. The plan had faced controversy in the past because of concerns it would disturb an Ohlone tribe shellmound. In June 2018, the City of Berkeley rejected the development’s application for SB 35 status. In September 2018, the City rejected the application for a second time, citing the proximity of the shellmound as a protected historic resource. The developer ultimately decided not to develop the site.

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Vallco Mall Project, Cupertino: In 2014, San Hill Properties proposed plans to transform the mostly empty Vallco Shopping Mall into 2 million square feet of office space, 2,400 housing units, and a 400,000 square foot retail center. The proposed project, located one mile from Apple's new headquarters, faced several years of strong community pushback. After the passage of SB 35, San Hill Properties released a new plan indicating that 50% of the 2,402 housing units will be affordable to low- and very-low income households. In September 2018, the City of Cupertino approved the project. No public funds will be needed to build the affordable housing.

681 Florida Street, San Francisco: In April 2018, a 130-unit affordable housing project located in the Mission District applied for SB 35 status. The project is being developed by Mission Economic Development Agency and Tenderloin Neighborhood Development Corporation on a site that was donated to the city as part of the community benefits package for a 195-unit market rate development on Bryant Street. The nonprofit developers expect SB 35 to cut the entitlement process for the project by six months to a year. The development will include a 9,000 square foot community arts center and social services for residents, 20% of whom will be formerly homeless.



California Department of Housing and
Community Development

Accessory Dwelling Unit Handbook



Where foundations begin

Updated December 2020

Table of Contents

Understanding Accessory Dwelling Units (ADUs) and Their Importance	3
Summary of Recent Changes to Accessory Dwelling Unit Laws	5
Frequently Asked Questions:	8
1. Legislative Intent	8
2. Zoning, Development and Other Standards	9
A) Zoning and Development Standards	9
B) Size Requirements	11
C) Parking Requirements	12
D) Setbacks	13
E) Height Requirements	13
F) Bedrooms	13
G) Impact Fees	14
H) Conversion of Existing Space in Single Family, Accessory and Multifamily Structures and Other Statewide Permissible ADUs (Subdivision (e))	15
I) Nonconforming Zoning Standards	16
J) Renter and Owner-occupancy	17
K) Fire Sprinkler Requirements	17
L) Solar Panel Requirements	17
3. Junior Accessory Dwelling Units (JADUs) – Government Code Section 65852.22	18
4. Manufactured Homes and ADUs	18
5. ADUs and the Housing Element	19
6. Homeowners Association	20
7. Enforcement	20
8. Other	20
Resources	22
Attachment 1: Statutory Changes (Strikeout/Italics and Underline)	23
Attachment 2: State Standards Checklist	37
Attachment 3: Bibliography	38

Understanding Accessory Dwelling Units (ADUs) and Their Importance



California's housing production is not keeping pace with demand. In the last decade, less than half of the homes needed to keep up with the population growth were built. Additionally, new homes are often constructed away from job-rich areas. This lack of housing that meets people's needs is impacting affordability and causing average housing costs, particularly for renters in California, to rise significantly. As affordable housing becomes less accessible, people drive longer distances between housing they can afford and their workplace or pack themselves into smaller shared spaces, both of which reduce quality of life and produce negative environmental impacts.

Beyond traditional construction, widening the range of housing types can increase the housing supply and help more low-income Californians thrive. Examples of some of these housing types are Accessory Dwelling Units (ADUs - also referred to as second units, in-law units, casitas, or granny flats) and Junior Accessory Dwelling Units (JADUs).

What is an ADU?

An ADU is an accessory dwelling unit with complete independent living facilities for one or more persons and has a few variations:

- Detached: The unit is separated from the primary structure.
- Attached: The unit is attached to the primary structure.
- Converted Existing Space: Space (e.g., master bedroom, attached garage, storage area, or similar use, or an accessory structure) on the lot of the primary residence that is converted into an independent living unit.
- Junior Accessory Dwelling Unit (JADU): A specific type of conversion of existing space that is contained entirely within an existing or proposed single-family residence.

ADUs tend to be significantly less expensive to build and offer benefits that address common development barriers such as affordability and environmental quality. Because ADUs must be built on lots with existing or proposed housing, they do not require paying for new land, dedicated parking or other costly infrastructure required to build a new single-family home. Because they are contained inside existing single-family homes, JADUs require relatively

modest renovations and are much more affordable to complete. ADUs are often built with cost-effective one or two-story wood frames, which are also cheaper than other new homes. Additionally, prefabricated ADUs can be directly purchased and save much of the time and money that comes with new construction. ADUs can provide as much living space as apartments and condominiums and work well for couples, small families, friends, young people, and seniors.

Much of California's housing crisis comes from job-rich, high-opportunity areas where the total housing stock is insufficient to meet demand and exclusionary practices have limited housing choice and inclusion. Professionals and students often prefer living closer to jobs and amenities rather than spending hours commuting. Parents often want better access to schools and do not necessarily require single-family homes to meet their needs. There is a shortage of affordable units, and the units that are available can be out of reach for many people. To address our state's needs, homeowners can construct an ADU on their lot or convert an underutilized part of their home into a JADU. This flexibility benefits both renters and homeowners who can receive extra monthly rent income.

ADUs also give homeowners the flexibility to share independent living areas with family members and others, allowing seniors to age in place as they require more care, thus helping extended families stay together while maintaining privacy. The space can be used for a variety of reasons, including adult children who can pay off debt and save up for living on their own.

New policies are making ADUs even more affordable to build, in part by limiting the development impact fees and relaxing zoning requirements. A 2019 study from the Turner Center on Housing Innovation noted that one unit of affordable housing in the Bay Area costs about \$450,000. ADUs and JADUs can often be built at a fraction of that price and homeowners may use their existing lot to create additional housing, without being required to provide additional infrastructure. Often the rent generated from the ADU can pay for the entire project in a matter of years.

ADUs and JADUs are a flexible form of housing that can help Californians more easily access job-rich, high-opportunity areas. By design, ADUs are more affordable and can provide additional income to homeowners. Local governments can encourage the development of ADUs and improve access to jobs, education, and services for many Californians.

Summary of Recent Changes to Accessory Dwelling Unit Laws



In Government Code Section 65852.150, the California Legislature found and declared that, among other things, allowing accessory dwelling units (ADUs) in zones that allow single-family and multifamily uses provides additional rental housing, and is an essential component in addressing California's housing needs. Over the years, ADU law has been revised to improve its effectiveness at creating more housing units. Changes to ADU laws effective January 1, 2021, further reduce barriers, better streamline approval processes, and expand capacity to accommodate the development of ADUs and junior accessory dwelling units (JADUs).

ADUs are a unique opportunity to address a variety of housing needs and provide affordable housing

options for family members, friends, students, the elderly, in-home health care providers, people with disabilities, and others. Further, ADUs offer an opportunity to maximize and integrate housing choices within existing neighborhoods.

Within this context, the California Department of Housing and Community Development (HCD) has prepared this guidance to assist local governments, homeowners, architects, and the general public in encouraging the development of ADUs. The following is a summary of recent legislation that amended ADU law: AB 3182 (2020) and SB 13, AB 68, AB 881, AB 587, AB 670, and AB 671 (2019). Please see Attachment 1 for the complete statutory changes for AB 3182 (2020) and SB 13, AB 68, AB 881, AB 587, AB 670, and AB 671 (2019).

AB 3182 (Ting)

Chapter 198, Statutes of 2020 (Assembly Bill 3182) builds upon recent changes to ADU law (Gov. Code, § 65852.2 and Civil Code Sections 4740 and 4741) to further address barriers to the development and use of ADUs and JADUs.

This recent legislation, among other changes, addresses the following:

- States that an application for the creation of an ADU or JADU shall be *deemed approved* (not just subject to ministerial approval) if the local agency has not acted on the completed application within 60 days.
- Requires ministerial approval of an application for a building permit within a residential or mixed-use zone to create one ADU *and* one JADU per lot (not one or the other), within the proposed or existing single-family dwelling, if certain conditions are met.
- Provides for the rental or leasing of a separate interest ADU or JADU in a common interest development, notwithstanding governing documents that otherwise appear to prohibit renting or leasing of a unit, *and* without regard to the date of the governing documents.

- Provides for not less than 25 percent of the separate interest units within a common interest development be allowed as rental or leasable units.

AB 68 (Ting), AB 881 (Bloom), and SB 13 (Wieckowski)

Chapter 653, Statutes of 2019 (Senate Bill 13, Section 3), Chapter 655, Statutes of 2019 (Assembly Bill 68, Section 2) and Chapter 659 (Assembly Bill 881, Section 1.5 and 2.5) build upon recent changes to ADU and JADU law (Gov. Code § 65852.2, 65852.22) and further address barriers to the development of ADUs and JADUs.

This legislation, among other changes, addresses the following:

- Prohibits local agencies from including in development standards for ADUs requirements on minimum lot size (Gov. Code, § 65852.2, subd. (a)(1)(B)(i)).
- Clarifies areas designated by local agencies for ADUs may be based on the adequacy of water and sewer services as well as impacts on traffic flow and public safety (Gov. Code, § 65852.2, subd. (a)(1)(A)).
- Eliminates all owner-occupancy requirements by local agencies for ADUs approved between January 1, 2020, and January 1, 2025 (Gov. Code, § 65852.2, subd. (a)(6)).
- Prohibits a local agency from establishing a maximum size of an ADU of less than 850 square feet, or 1,000 square feet if the ADU contains more than one bedroom and requires approval of a permit to build an ADU of up to 800 square feet (Gov. Code, § 65852.2, subds. (c)(2)(B) & (C)).
- Clarifies that when ADUs are created through the conversion of a garage, carport or covered parking structure, replacement of offstreet parking spaces cannot be required by the local agency (Gov. Code, § 65852.2, subd. (a)(1)(D)(xi)).
- Reduces the maximum ADU and JADU application review time from 120 days to 60 days (Gov. Code, § 65852.2, subd. (a)(3) and (b)).
- Clarifies that “public transit” includes various means of transportation that charge set fees, run on fixed routes and are available to the public (Gov. Code, § 65852.2, subd. (j)(10)).
- Establishes impact fee exemptions and limitations based on the size of the ADU. ADUs up to 750 square feet are exempt from impact fees (Gov. Code § 65852.2, subd. (f)(3)); ADUs that are 750 square feet or larger may be charged impact fees but only such fees that are proportional in size (by square foot) to those for the primary dwelling unit (Gov. Code, § 65852.2, subd. (f)(3)).
- Defines an “accessory structure” to mean a structure that is accessory or incidental to a dwelling on the same lot as the ADU (Gov. Code, § 65852.2, subd. (j)(2)).
- Authorizes HCD to notify the local agency if HCD finds that their ADU ordinance is not in compliance with state law (Gov. Code, § 65852.2, subd. (h)(2)).
- Clarifies that a local agency may identify an ADU or JADU as an adequate site to satisfy Regional Housing Needs Allocation (RHNA) housing needs (Gov. Code, §§ 65583.1, subd. (a), and 65852.2, subd. (m)).
- Permits JADUs even where a local agency has not adopted an ordinance expressly authorizing them (Gov. Code, § 65852.2, subds. (a)(3), (b), and (e)).

- Allows a permitted JADU to be constructed within the walls of the proposed or existing single-family residence and eliminates the required inclusion of an existing bedroom or an interior entry into the single-family residence (Gov. Code § 65852.22, subd. (a)(4); former Gov. Code § 65852.22, subd. (a)(5)).
- Requires, upon application and approval, a local agency to delay enforcement against a qualifying substandard ADU for five (5) years to allow the owner to correct the violation, so long as the violation is not a health and safety issue, as determined by the enforcement agency (Gov. Code, § 65852.2, subd. (n); Health & Safety Code, § 17980.12).

AB 587 (Friedman), AB 670 (Friedman), and AB 671 (Friedman)

In addition to the legislation listed above, AB 587 (Chapter 657, Statutes of 2019), AB 670 (Chapter 178, Statutes of 2019), and AB 671 (Chapter 658, Statutes of 2019) also have an impact on state ADU law, particularly through Health and Safety Code Section 17980.12. These pieces of legislation, among other changes, address the following:

- AB 587 creates a narrow exemption to the prohibition for ADUs to be sold or otherwise conveyed separately from the primary dwelling by allowing deed-restricted sales to occur if the local agency adopts an ordinance. To qualify, the primary dwelling and the ADU are to be built by a qualified nonprofit corporation whose mission is to provide units to low-income households (Gov. Code, § 65852.26).
- AB 670 provides that covenants, conditions and restrictions (CC&Rs) that either effectively prohibit or unreasonably restrict the construction or use of an ADU or JADU on a lot zoned for single-family residential use are void and unenforceable (Civ. Code, § 4751).
- AB 671 requires local agencies' housing elements to include a plan that incentivizes and promotes the creation of ADUs that can offer affordable rents for very low, low-, or moderate-income households and requires HCD to develop a list of state grants and financial incentives in connection with the planning, construction and operation of affordable ADUs (Gov. Code, § 65583; Health & Safety Code, § 50504.5).

Frequently Asked Questions:

Accessory Dwelling Units¹

1. Legislative Intent

a. Should a local ordinance encourage the development of accessory dwelling units?

Yes. Pursuant to Government Code Section 65852.150, the California Legislature found and declared that, among other things, California is facing a severe housing crisis and ADUs are a valuable form of housing that meets the needs of family members, students, the elderly, in-home health care providers, people with disabilities and others. Therefore, ADUs are an essential component of California's housing supply.

ADU law and recent changes intend to address barriers, streamline approval,

Government Code 65852.150:

(a) The Legislature finds and declares all of the following:

(1) Accessory dwelling units are a valuable form of housing in California.

(2) Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.

(3) Homeowners who create accessory dwelling units benefit from added income, and an increased sense of security.

(4) Allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock in California.

(5) California faces a severe housing crisis.

(6) The state is falling far short of meeting current and future housing demand with serious consequences for the state's economy, our ability to build green infill consistent with state greenhouse gas reduction goals, and the well-being of our citizens, particularly lower and middle-income earners.

(7) Accessory dwelling units offer lower cost housing to meet the needs of existing and future residents within existing neighborhoods, while respecting architectural character.

(8) Accessory dwelling units are, therefore, an essential component of California's housing supply.

(b) It is the intent of the Legislature that an accessory dwelling unit ordinance adopted by a local agency has the effect of providing for the creation of accessory dwelling units and that provisions in this ordinance relating to matters including unit size, parking, fees, and other requirements, are not so arbitrary, excessive, or burdensome so as to unreasonably restrict the ability of homeowners to create accessory dwelling units in zones in which they are authorized by local ordinance.

¹ Note: Unless otherwise noted, the Government Code section referenced is 65852.2.

and expand potential capacity for ADUs, recognizing their unique importance in addressing California's housing needs. The preparation, adoption, amendment, and implementation of local ADU ordinances must be carried out consistent with Government Code, Section 65852.150 and must not unduly constrain the creation of ADUs. Local governments adopting ADU ordinances should carefully weigh the adoption of zoning, development standards, and other provisions for impacts on the development of ADUs.

In addition, ADU law is the statutory minimum requirement. Local governments may elect to go beyond this statutory minimum and further the creation of ADUs. Many local governments have embraced the importance of ADUs as an important part of their overall housing policies and have pursued innovative strategies. (Gov. Code, § 65852.2, subd. (g)).

2. Zoning, Development and Other Standards

A) Zoning and Development Standards

- **Are ADUs allowed jurisdiction wide?**

No. ADUs proposed pursuant to subdivision (e) must be considered in any residential or mixed-use zone. For other ADUs, local governments may, by ordinance, designate areas in zones where residential uses are permitted that will also permit ADUs. However, any limits on where ADUs are permitted may only be based on the adequacy of water and sewer service, and the impacts on traffic flow and public safety. Further, local governments may not preclude the creation of ADUs altogether, and any limitation should be accompanied by detailed findings of fact explaining why ADU limitations are required and consistent with these factors.

Examples of public safety include severe fire hazard areas and inadequate water and sewer service and includes cease and desist orders. Impacts on traffic flow should consider factors like lesser car ownership rates for ADUs and the potential for ADUs to be proposed pursuant to Government Code section 65852.2, subdivision (e). Finally, local governments may develop alternative procedures, standards, or special conditions with mitigations for allowing ADUs in areas with potential health and safety concerns. (Gov. Code, § 65852.2, subd. (e))

Residential or mixed-use zone should be construed broadly to mean any zone where residential uses are permitted by-right or by conditional use.

- **Can a local government apply design and development standards?**

Yes. A local government may apply development and design standards that include, but are not limited to, parking, height, setback, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Resources. However, these standards shall be sufficiently objective to allow ministerial review of an ADU. (Gov. Code, § 65852.2, subd. (a)(1)(B)(i))

ADUs created under subdivision (e) of Government Code 65852.2 shall not be subject to design and development standards except for those that are noted in the subdivision.

What does objective mean?

“objective zoning standards” and “objective design review standards” mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. Gov Code § 65913.4, subd. (a)(5)

ADUs that do not meet objective and ministerial development and design standards may still be permitted through an ancillary discretionary process if the applicant chooses to do so. Some jurisdictions with compliant ADU ordinances apply additional processes to further the creation of ADUs that do not otherwise comply with the minimum standards necessary for ministerial review. Importantly, these processes are intended to provide additional opportunities to create ADUs that would not otherwise be permitted, and a discretionary process may not be used to review ADUs that are fully compliant with ADU law. Examples of these processes include areas where additional health and safety concerns must be considered, such as fire risk.

- **Can ADUs exceed general plan and zoning densities?**

Yes. An ADU is an accessory use for the purposes of calculating allowable density under the general plan and zoning that does not count toward the allowable density. For example, if a zoning district allows one unit per 7,500 square feet, then an ADU would not be counted as an additional unit. Further, local governments could elect to allow more than one ADU on a lot, and ADUs are automatically a residential use deemed consistent with the general plan and zoning. (Gov. Code, § 65852.2, subd. (a)(1)(C).)

- **Are ADUs permitted ministerially?**

Yes. ADUs must be considered, approved, and permitted ministerially, without discretionary action. Development and other decision-making standards must be sufficiently objective to allow for ministerial review. Examples include numeric and fixed standards such as heights or setbacks, or design standards such as colors or materials. Subjective standards require judgement and can be interpreted in multiple ways such as privacy, compatibility with neighboring properties or promoting harmony and balance in the community; subjective standards shall not be imposed for ADU development. Further, ADUs must not be subject to a hearing or any ordinance regulating the issuance of variances or special use permits and must be considered ministerially. (Gov. Code, § 65852.2, subd. (a)(3).)

- **Can I create an ADU if I have multiple detached dwellings on a lot?**

Yes. A lot where there are currently multiple detached single-family dwellings is eligible for creation of one ADU per lot by converting space within the proposed or existing space of a single-family dwelling or existing structure or a new construction detached ADU subject to certain development standards.

- **Can I build an ADU in a historic district, or if the primary residence is subject to historic preservation?**

Yes. ADUs are allowed within a historic district, and on lots where the primary residence is subject to historic preservation. State ADU law allows for a local agency to impose standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Resources. However, these standards do not apply to ADUs proposed pursuant to Government Code section 65852.2, subdivision (e).

As with non-historic resources, a jurisdiction may impose objective and ministerial standards that are sufficiently objective to be reviewed ministerially and do not unduly burden the creation of ADUs. Jurisdictions are encouraged to incorporate these standards into their ordinance and submit these standards along with their ordinance to HCD. (Gov. Code, § 65852.2, subds. (a)(1)(B)(i) & (a)(5).)

B) Size Requirements

- **Is there a minimum lot size requirement?**

No. While local governments may impose standards on ADUs, these standards shall not include minimum lot size requirements. Further, lot coverage requirements cannot preclude the creation of a statewide exemption ADU (800 square feet ADU with a height limitation of 16 feet and 4 feet side and rear yard setbacks). If lot coverage requirements do not allow such an ADU, an automatic exception or waiver should be given to appropriate development standards such as lot coverage, floor area or open space requirements. Local governments may continue to enforce building and health and safety standards and may consider design, landscape, and other standards to facilitate compatibility.

What is a statewide exemption ADU?

A statewide exemption ADU is an ADU of up to 800 square feet, 16 feet in height, as potentially limited by a local agency, and with 4 feet side and rear yard setbacks. ADU law requires that no lot coverage, floor area ratio, open space, or minimum lot size will preclude the construction of a statewide exemption ADU. Further, ADU law allows the construction of a detached new construction statewide exemption ADU to be combined on the same lot with a JADU in a single-family residential zone. In addition, ADUs are allowed in any residential or mixed uses regardless of zoning and development standards imposed in an ordinance. See more discussion below.

- **Can minimum and maximum unit sizes be established for ADUs?**

Yes. A local government may, by ordinance, establish minimum and maximum unit size requirements for both attached and detached ADUs. However, maximum unit size requirements must be at least 850 square feet and 1,000 square feet for ADUs with more than one bedroom. For local agencies without an ordinance, maximum unit sizes are 1,200 square feet for a new detached ADU and up to 50 percent of the floor area of the existing primary dwelling for an attached ADU (at least 800 square feet). Finally, the local agency must not establish by ordinance a minimum square footage requirement that prohibits an efficiency unit, as defined in Health and Safety Code section 17958.1.

The conversion of an existing accessory structure or a portion of the existing primary residence to an ADU is not subject to size requirements. For example, an existing 3,000 square foot barn converted to an ADU would not be subject to the size requirements, regardless if a local government has an adopted ordinance. Should an applicant want to expand an accessory structure to create an ADU beyond 150 square feet, this ADU would be subject to the size maximums outlined in state ADU law, or the local agency's adopted ordinance.

- **Can a percentage of the primary dwelling be used for a maximum unit size?**

Yes. Local agencies may utilize a percentage (e.g., 50 percent) of the primary dwelling as a maximum unit size for attached or detached ADUs but only if it does not restrict an ADU's size to less than the standard of at least 850 square feet (or at least 1000 square feet for ADUs with more than one bedroom). Local agencies must not, by ordinance, establish any other minimum or maximum unit sizes, including based on

a percentage of the primary dwelling, that precludes a statewide exemption ADU. Local agencies utilizing percentages of the primary dwelling as maximum unit sizes could consider multi-pronged standards to help navigate these requirements (e.g., shall not exceed 50 percent of the dwelling or 1,000 square feet, whichever is greater).

- **Can maximum unit sizes exceed 1,200 square feet for ADUs?**

Yes. Maximum unit sizes, by ordinance, can exceed 1,200 square feet for ADUs. ADU law does not limit the authority of local agencies to adopt less restrictive requirements for the creation of ADUs (Gov. Code, § 65852.2, subd. (g)).

Larger unit sizes can be appropriate in a rural context or jurisdictions with larger lot sizes and is an important approach to creating a full spectrum of ADU housing choices.

C) Parking Requirements

- **Can parking requirements exceed one space per unit or bedroom?**

No. Parking requirements for ADUs shall not exceed one parking space per unit or bedroom, whichever is less. These spaces may be provided as tandem parking on a driveway. Guest parking spaces shall not be required for ADUs under any circumstances.

What is Tandem Parking?

Tandem parking means two or more automobiles that are parked on a driveway or in any other location on a lot, lined up behind one another. (Gov. Code, § 65852.2, subds. (a)(1)(D)(x)(I) and (j)(11).)

Local agencies may choose to eliminate or reduce parking requirements for ADUs such as requiring zero or half a parking space per each ADU.

- **Is flexibility for siting parking required?**

Yes. Local agencies should consider flexibility when siting parking for ADUs. Offstreet parking spaces for the ADU shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made. Specific findings must be based on specific site or regional topographical or fire and life safety conditions.

When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an ADU, or converted to an ADU, the local agency shall not require that those offstreet parking spaces for the primary unit be replaced. (Gov. Code, § 65852.2, subd. (a)(D)(xi).)

- **Can ADUs be exempt from parking?**

Yes. A local agency shall not impose ADU parking standards for any of the following, pursuant to Government Code section 65852.2, subdivisions (d)(1-5) and (j)(10).

(1) Accessory dwelling unit is located within one-half mile walking distance of public transit.

- (2) Accessory dwelling unit is located within an architecturally and historically significant historic district.
- (3) Accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.
- (4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
- (5) When there is a car share vehicle located within one block of the accessory dwelling unit.

Note: For the purposes of state ADU law, a jurisdiction may use the designated areas where a car share vehicle may be accessed. Public transit is any location where an individual may access buses, trains, subways and other forms of transportation that charge set fares, run on fixed routes and are available to the general public. Walking distance is defined as the pedestrian shed to reach public transit. Additional parking requirements to avoid impacts to public access may be required in the coastal zone.

D) Setbacks

- **Can setbacks be required for ADUs?**

Yes. A local agency may impose development standards, such as setbacks, for the creation of ADUs. Setbacks may include front, corner, street, and alley setbacks. Additional setback requirements may be required in the coastal zone if required by a local coastal program. Setbacks may also account for utility easements or recorded setbacks. However, setbacks must not unduly constrain the creation of ADUs and cannot be required for ADUs proposed pursuant to subdivision (e). Further, a setback of no more than four feet from the side and rear lot lines shall be required for an attached or detached ADU. (Gov. Code, § 65852.2, subd. (a)(1)(D)(vii).)

A local agency may also allow the expansion of a detached structure being converted into an ADU when the existing structure does not have four-foot rear and side setbacks. A local agency may also allow the expansion area of a detached structure being converted into an ADU to have no setbacks, or setbacks of less than four feet, if the existing structure has no setbacks, or has setbacks of less than four feet. A local agency shall not require setbacks of more than four feet for the expanded area of a detached structure being converted into an ADU.

A local agency may still apply front yard setbacks for ADUs, but front yard setbacks cannot preclude a statewide exemption ADU and must not unduly constrain the creation of all types of ADUs. (Gov. Code, § 65852.2, subd. (c).)

E) Height Requirements

- **Is there a limit on the height of an ADU or number of stories?**

Not in state ADU law, but local agencies may impose height limits provided that the limit is no less than 16 feet. (Gov. Code, § 65852.2, subd. (a)(1)(B)(i).)

F) Bedrooms

- **Is there a limit on the number of bedrooms?**

State ADU law does not allow for the limitation on the number of bedrooms of an ADU. A limit on the number of bedrooms could be construed as a discriminatory practice towards protected classes, such as familial status, and would be considered a constraint on the development of ADUs.

G) Impact Fees

- **Can impact fees be charged for an ADU less than 750 square feet?**

No. An ADU is exempt from incurring impact fees from local agencies, special districts, and water corporations if less than 750 square feet. Should an ADU be 750 square feet or larger, impact fees shall be charged proportionately in relation to the square footage of the ADU to the square footage of the primary dwelling unit.

What is “Proportionately”?

“Proportionately” is some amount that corresponds to a total amount, in this case, an impact fee for a single-family dwelling. For example, a 2,000 square foot primary dwelling with a proposed 1,000 square foot ADU could result in 50 percent of the impact fee that would be charged for a new primary dwelling on the same site. In all cases, the impact fee for the ADU must be less than the primary dwelling. Otherwise, the fee is not calculated proportionately. When utilizing proportions, careful consideration should be given to the impacts on costs, feasibility, and ultimately, the creation of ADUs. In the case of the example above, anything greater than 50 percent of the primary dwelling could be considered a constraint on the development of ADUs.

For purposes of calculating the fees for an ADU on a lot with a multifamily dwelling, the proportionality shall be based on the average square footage of the units within that multifamily dwelling structure. For ADUs converting existing space with a 150 square foot expansion, a total ADU square footage over 750 square feet could trigger the proportionate fee requirement. (Gov. Code, § 65852.2, subd. (f)(3)(A).)

- **Can local agencies, special districts or water corporations waive impact fees?**

Yes. Agencies can waive impact and any other fees for ADUs. Also, local agencies may also use fee deferrals for applicants.

- **Can school districts charge impact fees?**

Yes. School districts are authorized but do not have to levy impact fees for ADUs greater than 500 square feet pursuant to Section 17620 of the Education Code. ADUs less than 500 square feet are not subject to school impact fees. Local agencies are encouraged to coordinate with school districts to carefully weigh the importance of promoting ADUs, ensuring appropriate nexus studies and appropriate fees to facilitate construction or reconstruction of adequate school facilities.

- **What types of fees are considered impact fees?**

Impact fees charged for the construction of ADUs must be determined in accordance with the Mitigation Fee Act and generally include any monetary exaction that is charged by a local agency in connection with the approval of an ADU, including impact fees, for the purpose of defraying all or a portion of the cost of public facilities relating to the ADU. A local agency, special district or water corporation shall not consider ADUs as a new residential use for the purposes of calculating connection fees or capacity charges for

utilities, including water and sewer services. However, these provisions do not apply to ADUs that are constructed concurrently with a new single-family home. (Gov. Code, §§ 65852.2, subd. (f), and 66000)

- **Can I still be charged water and sewer connection fees?**

ADUs converted from existing space and JADUs shall not be considered by a local agency, special district or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, unless constructed with a new single-family dwelling. The connection fee or capacity charge shall be proportionate to the burden of the proposed ADU, based on its square footage or plumbing fixtures as compared to the primary dwelling. State ADU law does not cover monthly charge fees. (Gov. Code, § 65852.2, subd. (f)(2)(A).)

H) Conversion of Existing Space in Single Family, Accessory and Multifamily Structures and Other Statewide Permissible ADUs (Subdivision (e))

- **Are local agencies required to comply with subdivision (e)?**

Yes. All local agencies must comply with subdivision (e). This subdivision requires the ministerial approval of ADUs within a residential or mixed-use zone. The subdivision creates four categories of ADUs that should not be subject to other specified areas of ADU law, most notably zoning and development standards. For example, ADUs under this subdivision should not have to comply with lot coverage, setbacks, heights, and unit sizes. However, ADUs under this subdivision must meet the building code and health and safety requirements. The four categories of ADUs under subdivision (e) are:

- b. One ADU and one JADU are permitted per lot within the existing or proposed space of a single-family dwelling, or a JADU within the walls of the single family residence, or an ADU within an existing accessory structure, that meets specified requirements such as exterior access and setbacks for fire and safety.**
- c. One detached new construction ADU that does not exceed four-foot side and rear yard setbacks. This ADU may be combined on the same lot with a JADU and may be required to meet a maximum unit size requirement of 800 square feet and a height limitation of 16 feet.**
- d. Multiple ADUs within the portions of multifamily structures that are not used as livable space. Local agencies must allow at least one of these types of ADUs and up to 25 percent of the existing multifamily structures.**
- e. Up to two detached ADUs on a lot that has existing multifamily dwellings that are subject to height limits of 16 feet and 4-foot rear and side yard setbacks.**

The above four categories are not required to be combined. For example, local governments are not required to allow (a) and (b) together or (c) and (d) together. However, local agencies may elect to allow these ADU types together.

Local agencies shall allow at least one ADU to be created within the non-livable space within multifamily dwelling structures, or up to 25 percent of the existing multifamily dwelling units within a structure and may also allow not more than two ADUs on the lot detached from the multifamily dwelling structure. New detached units are subject to height limits of 16 feet and shall not be required to have side and rear setbacks of more than four feet.

The most common ADU that can be created under subdivision (e) is a conversion of proposed or existing space of a single-family dwelling or accessory structure into an ADU, without any prescribed size limitations, height, setback, lot coverage, architectural review, landscape, or other development standards. This would enable the conversion of an accessory structure, such as a 2,000 square foot garage, to an ADU without any additional requirements other than compliance with building standards for dwellings. These types of ADUs are also eligible for a 150 square foot expansion (see discussion below).

ADUs created under subdivision (e) shall not be required to provide replacement or additional parking. Moreover, these units shall not, as a condition for ministerial approval, be required to correct any existing or created nonconformity. Subdivision (e) ADUs shall be required to be rented for terms longer than 30 days, and only require fire sprinklers if fire sprinklers are required for the primary residence. These ADUs shall not be counted as units when calculating density for the general plan and are not subject to owner-occupancy.

- **Can I convert my accessory structure into an ADU?**

Yes. The conversion of garages, sheds, barns, and other existing accessory structures, either attached or detached from the primary dwelling, into ADUs is permitted and promoted through the state ADU law. These conversions of accessory structures are not subject to any additional development standard, such as unit size, height, and lot coverage requirements, and shall be from existing space that can be made safe under building and safety codes. A local agency should not set limits on when the structure was created, and the structure must meet standards for health and safety. Finally, local governments may also consider the conversion of illegal existing space and could consider alternative building standards to facilitate the conversion of existing illegal space to minimum life and safety standards.

- **Can an ADU converting existing space be expanded?**

Yes. An ADU created within the existing or proposed space of a single-family dwelling or accessory structure can be expanded beyond the physical dimensions of the structure. In addition, an ADU created within an existing accessory structure may be expanded up to 150 square feet without application of local development standards, but this expansion shall be limited to accommodating ingress and egress. An example of where this expansion could be applicable is for the creation of a staircase to reach a second story ADU. These types of ADUs shall conform to setbacks sufficient for fire and safety.

A local agency may allow for an expansion beyond 150 square feet, though the ADU would have to comply with the size maximums as per state ADU law, or a local agency's adopted ordinance.

As a JADU is limited to being created within the walls of a primary residence, this expansion of up to 150 square feet does not pertain to JADUs.

I) Nonconforming Zoning Standards

- **Does the creation of an ADU require the applicant to carry out public improvements?**

No physical improvements shall be required for the creation or conversion of an ADU. Any requirement to carry out public improvements is beyond what is required for the creation of an ADU, as per state law. For example, an applicant shall not be required to improve sidewalks, carry out street improvements, or access improvements to create an ADU. Additionally, as a condition for ministerial approval of an ADU, an applicant shall not be required to correct nonconforming zoning conditions. (Gov. Code, § 65852.2, subd. (e)(2).)

J) Renter and Owner-occupancy

- **Are rental terms required?**

Yes. Local agencies may require that the property be used for rentals of terms longer than 30 days. ADUs permitted ministerially, under subdivision (e), shall be rented for terms longer than 30 days. (Gov. Code, § 65852.2, subds. (a)(6) & (e)(4).)

- **Are there any owner-occupancy requirements for ADUs?**

No. Prior to recent legislation, ADU laws allowed local agencies to elect whether the primary dwelling or ADU was required to be occupied by an owner. The updates to state ADU law removed the owner-occupancy allowance for newly created ADUs effective January 1, 2020. The new owner-occupancy exclusion is set to expire on December 31, 2024. Local agencies may not retroactively require owner occupancy for ADUs permitted between January 1, 2020, and December 31, 2024.

However, should a property have both an ADU and JADU, JADU law requires owner-occupancy of either the newly created JADU, or the single-family residence. Under this specific circumstance, a lot with an ADU would be subject to owner-occupancy requirements. (Gov. Code, § 65852.2, subd. (a)(2).)

K) Fire Sprinkler Requirements

- **Are fire sprinklers required for ADUs?**

No. Installation of fire sprinklers may not be required in an ADU if sprinklers are not required for the primary residence. For example, a residence built decades ago would not have been required to have fire sprinklers installed under the applicable building code at the time. Therefore, an ADU created on this lot cannot be required to install fire sprinklers. However, if the same primary dwelling recently undergoes significant remodeling and is now required to have fire sprinklers, any ADU created after that remodel must likewise install fire sprinklers. (Gov. Code, § 65852.2, subds. (a)(1)(D)(xii) and (e)(3).)

Please note, for ADUs created on lots with multifamily residential structures, the entire residential structure shall serve as the “primary residence” for the purposes of this analysis. Therefore, if the multifamily structure is served by fire sprinklers, the ADU can be required to install fire sprinklers.

L) Solar Panel Requirements

- **Are solar panels required for new construction ADUs?**

Yes, newly constructed ADUs are subject to the Energy Code requirement to provide solar panels if the unit(s) is a newly constructed, non-manufactured, detached ADU. Per the California Energy Commission (CEC), the panels can be installed on the ADU or on the primary dwelling unit. ADUs that are constructed within existing space, or as an addition to existing homes, including detached additions where an existing detached building is converted from non-residential to residential space, are not subject to the Energy Code requirement to provide solar panels.

Please refer to the CEC on this matter. For more information, see the CEC's website www.energy.ca.gov. You may email your questions to: title24@energy.ca.gov, or contact the Energy Standards Hotline at 800-772-3300. CEC memos can also be found on HCD's website at <https://www.hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>.

3. Junior Accessory Dwelling Units (JADUs) – Government Code Section 65852.22

- **Are two JADUs allowed on a lot?**

No. A JADU may be created on a lot zoned for single-family residences with one primary dwelling. The JADU may be created within the walls of the proposed or existing single-family residence, including attached garages, as attached garages are considered within the walls of the existing single-family residence. Please note that JADUs created in the attached garage are not subject to the same parking protections as ADUs and could be required by the local agency to provide replacement parking.

JADUs are limited to one per residential lot with a single-family residence. Lots with multiple detached single-family dwellings are not eligible to have JADUs. (Gov. Code, § 65852.22, subd. (a)(1).)

- **Are JADUs allowed in detached accessory structures?**

No, JADUs are not allowed in accessory structures. The creation of a JADU must be within the single-family residence. As noted above, attached garages are eligible for JADU creation. The maximum size for a JADU is 500 square feet. (Gov. Code, § 65852.22, subds. (a)(1), (a)(4), and (h)(1).)

- **Are JADUs allowed to be increased up to 150 square feet when created within an existing structure?**

No. Only ADUs are allowed to add up to 150 square feet "beyond the physical dimensions of the existing accessory structure" to provide for ingress. (Gov. Code, § 65852.2, subd. (e)(1)(A)(i).)

This provision extends only to ADUs and excludes JADUs. A JADU is required to be created within the single-family residence.

- **Are there any owner-occupancy requirements for JADUs?**

Yes. There are owner-occupancy requirements for JADUs. The owner must reside in either the remaining portion of the primary residence, or in the newly created JADU. (Gov. Code, § 65852.22, subd. (a)(2).)

4. Manufactured Homes and ADUs

- **Are manufactured homes considered to be an ADU?**

Yes. An ADU is any residential dwelling unit with independent facilities and permanent provisions for living, sleeping, eating, cooking and sanitation. An ADU includes a manufactured home (Health & Saf. Code, § 18007).

Health and Safety Code section 18007, subdivision (a): **“Manufactured home,”** for the purposes of this part, means a structure that was constructed on or after June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length, in the traveling mode, or, when erected on site, is 320 or more square feet, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. “Manufactured home” includes any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, and following).

5. ADUs and the Housing Element

- **Do ADUs and JADUs count toward a local agency’s Regional Housing Needs Allocation?**

Yes. Pursuant to Government Code section 65852.2 subdivision (m), and section 65583.1, ADUs and JADUs may be utilized towards the Regional Housing Need Allocation (RHNA) and Annual Progress Report (APR) pursuant to Government Code section 65400. To credit a unit toward the RHNA, HCD and the Department of Finance (DOF) utilize the census definition of a housing unit. Generally, an ADU, and a JADU with shared sanitation facilities, and any other unit that meets the census definition, and is reported to DOF as part of the DOF annual City and County Housing Unit Change Survey, can be credited toward the RHNA based on the appropriate income level. The housing element or APR must include a reasonable methodology to demonstrate the level of affordability. Local governments can track actual or anticipated affordability to assure ADUs and JADUs are counted towards the appropriate income category. For example, some local governments request and track information such as anticipated affordability as part of the building permit or other applications.

- **Is analysis required to count ADUs toward the RHNA in the housing element?**

Yes. To calculate ADUs in the housing element, local agencies must generally use a three-part approach: (1) development trends, (2) anticipated affordability and (3) resources and incentives. Development trends must consider ADUs permitted in the prior planning period and may also consider more recent trends. Anticipated affordability can use a variety of methods to estimate the affordability by income group. Common approaches include rent surveys of ADUs, using rent surveys and square footage assumptions and data available through the APR pursuant to Government Code section 65400. Resources and incentives include policies and programs to encourage ADUs, such as prototype plans, fee waivers, expedited procedures and affordability monitoring programs.

- **Are ADUs required to be addressed in the housing element?**

Yes. The housing element must include a description of zoning available to permit ADUs, including development standards and analysis of potential constraints on the development of ADUs. The element must include programs as appropriate to address identified constraints. In addition, housing elements must

include a plan that incentivizes and promotes the creation of ADUs that can offer affordable rents for very low, low-, or moderate-income households and requires HCD to develop a list of state grants and financial incentives in connection with the planning, construction and operation of affordable ADUs. (Gov. Code, § 65583 and Health & Saf. Code, § 50504.5.)

6. Homeowners Association

- **Can my local Homeowners Association (HOA) prohibit the construction of an ADU or JADU?**

No. Assembly Bill 670 (2019) and AB 3182 (2020) amended Section 4751, 4740, and 4741 of the Civil Code to preclude common interest developments from prohibiting or unreasonably restricting the construction or use, including the renting or leasing of, an ADU on a lot zoned for single-family residential use. Covenants, conditions and restrictions (CC&Rs) that either effectively prohibit or unreasonably restrict the construction or use of an ADU or JADU on such lots are void and unenforceable or may be liable for actual damages and payment of a civil penalty. Applicants who encounter issues with creating ADUs or JADUs within CC&Rs are encouraged to reach out to HCD for additional guidance.

7. Enforcement

- **Does HCD have enforcement authority over ADU ordinances?**

Yes. After adoption of the ordinance, HCD may review and submit written findings to the local agency as to whether the ordinance complies with state ADU law. If the local agency's ordinance does not comply, HCD must provide a reasonable time, no longer than 30 days, for the local agency to respond, and the local agency shall consider HCD's findings to amend the ordinance to become compliant. If a local agency does not make changes and implements an ordinance that is not compliant with state law, HCD may refer the matter to the Attorney General.

In addition, HCD may review, adopt, amend, or repeal guidelines to implement uniform standards or criteria that supplement or clarify ADU law.

8. Other

- **Are ADU ordinances existing prior to new 2020 laws null and void?**

No. Ordinances existing prior to the new 2020 laws are only null and void to the extent that existing ADU ordinances conflict with state law. Subdivision (a)(4) of Government Code Section 65852.2 states an ordinance that fails to meet the requirements of subdivision (a) shall be null and void and shall apply the state standards (see Attachment 3) until a compliant ordinance is adopted. However, ordinances that substantially comply with ADU law may continue to enforce the existing ordinance to the extent it complies with state law. For example, local governments may continue the compliant provisions of an ordinance and apply the state standards where pertinent until the ordinance is amended or replaced to fully comply with ADU law. At the same time, ordinances that are fundamentally incapable of being enforced because key provisions are invalid -- meaning there is not a reasonable way to sever conflicting provisions and apply the remainder of an ordinance in a way that is consistent with state law -- would be fully null and void and must follow all state standards until a compliant ordinance is adopted.

- **Do local agencies have to adopt an ADU ordinance?**

No. Local governments may choose not to adopt an ADU ordinance. Should a local government choose to not adopt an ADU ordinance, any proposed ADU development would be only subject to standards set in state ADU law. If a local agency adopts an ADU ordinance, it may impose zoning, development, design, and other standards in compliance with state ADU law. (See Attachment 4 for a state standards checklist.)

- **Is a local government required to send an ADU ordinance to the California Department of Housing and Community Development (HCD)?**

Yes. A local government, upon adoption of an ADU ordinance, must submit a copy of the adopted ordinance to HCD within 60 days after adoption. After the adoption of an ordinance, the Department may review and submit written findings to the local agency as to whether the ordinance complies with this section. (Gov. Code, § 65852.2, subd. (h)(1).)

Local governments may also submit a draft ADU ordinance for preliminary review by HCD. This provides local agencies the opportunity to receive feedback on their ordinance and helps to ensure compliance with the new state ADU law.

- **Are charter cities and counties subject to the new ADU laws?**

Yes. ADU law applies to a local agency which is defined as a city, county, or city and county, whether general law or chartered. (Gov. Code, § 65852.2, subd. (j)(5)).

Further, pursuant to Chapter 659, Statutes of 2019 (AB 881), the Legislature found and declared ADU law as “...a matter of statewide concern rather than a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution” and concluded that ADU law applies to all cities, including charter cities.

- **Do the new ADU laws apply to jurisdictions located in the Coastal Zone?**

Yes. ADU laws apply to jurisdictions in the Coastal Zone, but do not necessarily alter or lessen the effect or application of Coastal Act resource protection policies. (Gov. Code, § 65852.22, subd. (l)).

Coastal localities should seek to harmonize the goals of protecting coastal resources and addressing housing needs of Californians. For example, where appropriate, localities should amend Local Coastal Programs for California Coastal Commission review to comply with the California Coastal Act and new ADU laws. For more information, see the [California Coastal Commission 2020 Memo](#) and reach out to the locality’s local Coastal Commission district office.

- **What is considered a multifamily dwelling?**

For the purposes of state ADU law, a structure with two or more attached dwellings on a single lot is considered a multifamily dwelling structure. Multiple detached single-unit dwellings on the same lot are not considered multifamily dwellings for the purposes of state ADU law.

Resources



Attachment 1: Statutory Changes (Strikeout/Italics and Underline)

GOV. CODE: TITLE 7, DIVISION 1, CHAPTER 4, ARTICLE 2

Combined changes from (AB 3182 Accessory Dwelling Units) and (AB 881, AB 68 and SB 13 Accessory Dwelling Units)

(Changes noted in strikeout, underline/italics)

Effective January 1, 2021, Section 65852.2 of the Government Code is amended to read:

65852.2.

- (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling residential use. The ordinance shall do all of the following:
- (A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. A local agency that does not provide water or sewer services shall consult with the local water or sewer service provider regarding the adequacy of water and sewer services before designating an area where accessory dwelling units may be permitted.
- (B) (i) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Resources. These standards shall not include requirements on minimum lot size.
- (ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.
- (C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.
- (D) Require the accessory dwelling units to comply with all of the following:
- (i) The accessory dwelling unit may be rented separate from the primary residence, but may not be sold or otherwise conveyed separate from the primary residence.
- (ii) The lot is zoned to allow single-family or multifamily dwelling residential use and includes a proposed or existing dwelling.
- (iii) The accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling, including attached garages, storage areas or similar uses, or an accessory structure or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.
- (iv) If there is an existing primary dwelling, the total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing primary dwelling.
- (v) The total floor area for a detached accessory dwelling unit shall not exceed 1,200 square feet.
- (vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.
- (vii) No setback shall be required for an existing living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than four feet from the side and rear lot lines shall be required for an accessory dwelling unit that is not converted from an existing structure or a new structure constructed in the same location and to the same dimensions as an existing structure.
- (viii) Local building code requirements that apply to detached dwellings, as appropriate.
- (ix) Approval by the local health officer where a private sewage disposal system is being used, if required.
- (x) (I) Parking requirements for accessory dwelling units shall not exceed one parking space per accessory dwelling unit or per bedroom, whichever is less. These spaces may be provided as tandem parking on a driveway.
- (II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions.
- (III) This clause shall not apply to an accessory dwelling unit that is described in subdivision (d).
- (xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or converted to an accessory dwelling unit, the local agency shall not require that those offstreet parking spaces be replaced.
- (xii) Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) A permit application for an accessory dwelling unit or a junior accessory dwelling unit shall be considered and approved ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits. The permitting agency shall act on the application to create an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the permitting agency may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the permitting agency acts on the permit application to create the new single-family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit shall be considered without discretionary review or hearing. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay. If the local agency has not acted upon the completed application within 60 days, the application shall be deemed approved. A local agency may charge a fee to reimburse it for costs incurred to implement this paragraph, including the costs of adopting or amending any ordinance that provides for the creation of an accessory dwelling unit.

(4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency or an accessory dwelling ordinance adopted by a local agency shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. If a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this section.

(5) No other local ordinance, policy, or regulation shall be the basis for the delay or denial of a building permit or a use permit under this subdivision.

(6) This subdivision establishes the maximum standards that local agencies shall use to evaluate a proposed accessory dwelling unit on a lot that includes a proposed or existing single-family dwelling. No additional standards, other than those provided in this subdivision, shall be used or imposed, including any owner-occupant requirement, except that a local agency may require that the property be used for rentals of terms longer than 30 days.

(7) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(8) An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives an application for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a). The permitting agency shall act on the application to create an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the permitting agency may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the permitting agency acts on the permit application to create the new single-family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit shall still be considered ministerially without discretionary review or a hearing. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay. If the local agency has not acted upon the completed application within 60 days, the application shall be deemed approved.

(c) (1) Subject to paragraph (2), a local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units.

(2) Notwithstanding paragraph (1), a local agency shall not establish by ordinance any of the following:

(A) A minimum square footage requirement for either an attached or detached accessory dwelling unit that prohibits an efficiency unit.

(B) A maximum square footage requirement for either an attached or detached accessory dwelling unit that is less than either of the following:

(i) 850 square feet.

(ii) 1,000 square feet for an accessory dwelling unit that provides more than one bedroom.

(C) Any other minimum or maximum size for an accessory dwelling unit, size based upon a percentage of the proposed or existing primary dwelling, or limits on lot coverage, floor area ratio, open space, and minimum lot size, for either attached or detached dwellings that does not permit at least an 800 square foot accessory dwelling unit that is at least 16 feet in height with four-foot side and rear yard setbacks to be constructed in compliance with all other local development standards.

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile walking distance of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) (1) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following:

(A) One accessory dwelling unit ~~or~~ **and** one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling if all of the following apply:

(i) The accessory dwelling unit or junior accessory dwelling unit is within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure and may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

(ii) The space has exterior access from the proposed or existing single-family dwelling.

(iii) The side and rear setbacks are sufficient for fire and safety.

(iv) The junior accessory dwelling unit complies with the requirements of Section 65852.22.

(B) One detached, new construction, accessory dwelling unit that does not exceed four-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. The accessory dwelling unit may be combined with a junior accessory dwelling unit described in subparagraph (A). A local agency may impose the following conditions on the accessory dwelling unit:

(i) A total floor area limitation of not more than 800 square feet.

(ii) A height limitation of 16 feet.

(C) (i) Multiple accessory dwelling units within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.

(ii) A local agency shall allow at least one accessory dwelling unit within an existing multifamily dwelling and shall allow up to 25 percent of the existing multifamily dwelling units.

(D) Not more than two accessory dwelling units that are located on a lot that has an existing multifamily dwelling, but are detached from that multifamily dwelling and are subject to a height limit of 16 feet and four-foot rear yard and side setbacks.

(2) A local agency shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions.

(3) The installation of fire sprinklers shall not be required in an accessory dwelling unit if sprinklers are not required for the primary residence.

(4) A local agency shall require that a rental of the accessory dwelling unit created pursuant to this subdivision be for a term longer than 30 days.

(5) A local agency may require, as part of the application for a permit to create an accessory dwelling unit connected to an onsite wastewater treatment system, a percolation test completed within the last five years, or, if the percolation test has been recertified, within the last 10 years.

(6) Notwithstanding subdivision (c) and paragraph (1) a local agency that has adopted an ordinance by July 1, 2018, providing for the approval of accessory dwelling units in multifamily dwelling structures shall ministerially consider a permit application to construct an accessory dwelling unit that is described in paragraph (1), and may impose standards including, but not limited to, design, development, and historic standards on said accessory dwelling units. These standards shall not include requirements on minimum lot size.

- (f) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).
- (2) An accessory dwelling unit shall not be considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the accessory dwelling unit was constructed with a new single-family dwelling.
- (3) (A) A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.
- (B) For purposes of this paragraph, "impact fee" has the same meaning as the term "fee" is defined in subdivision (b) of Section 66000, except that it also includes fees specified in Section 66477. "Impact fee" does not include any connection fee or capacity charge charged by a local agency, special district, or water corporation.
- (4) For an accessory dwelling unit described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge, unless the accessory dwelling unit was constructed with a new single-family home.
- (5) For an accessory dwelling unit that is not described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its square feet or the number of its drainage fixture unit (DFU) values, as defined in the Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.
- (g) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of an accessory dwelling unit.
- (h) (1) A local agency shall submit a copy of the ordinance adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption. After adoption of an ordinance, the department may submit written findings to the local agency as to whether the ordinance complies with this section.
- (2) (A) If the department finds that the local agency's ordinance does not comply with this section, the department shall notify the local agency and shall provide the local agency with a reasonable time, no longer than 30 days, to respond to the findings before taking any other action authorized by this section.
- (B) The local agency shall consider the findings made by the department pursuant to subparagraph (A) and shall do one of the following:
- (i) Amend the ordinance to comply with this section.
 - (ii) Adopt the ordinance without changes. The local agency shall include findings in its resolution adopting the ordinance that explain the reasons the local agency believes that the ordinance complies with this section despite the findings of the department.
- (3) (A) If the local agency does not amend its ordinance in response to the department's findings or does not adopt a resolution with findings explaining the reason the ordinance complies with this section and addressing the department's findings, the department shall notify the local agency and may notify the Attorney General that the local agency is in violation of state law.
- (B) Before notifying the Attorney General that the local agency is in violation of state law, the department may consider whether a local agency adopted an ordinance in compliance with this section between January 1, 2017, and January 1, 2020.
- (i) The department may review, adopt, amend, or repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, and standards set forth in this section. The guidelines adopted pursuant to this subdivision are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.
- (j) As used in this section, the following terms mean:
- (1) "Accessory dwelling unit" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following:
 - (A) An efficiency unit.
 - (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

- (2) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
 - (3) "Efficiency unit" has the same meaning as defined in Section 17958.1 of the Health and Safety Code.
 - (4) "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
 - (5) "Local agency" means a city, county, or city and county, whether general law or chartered.
 - (6) "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
 - (7) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.
 - (8) "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
 - (9) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
 - (10) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.
 - (k) A local agency shall not issue a certificate of occupancy for an accessory dwelling unit before the local agency issues a certificate of occupancy for the primary dwelling.
 - (l) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for accessory dwelling units.
 - (m) A local agency may count an accessory dwelling unit for purposes of identifying adequate sites for housing, as specified in subdivision (a) of Section 65583.1, subject to authorization by the department and compliance with this division.
 - (n) In enforcing building standards pursuant to Article 1 (commencing with Section 17960) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code for an accessory dwelling unit described in paragraph (1) or (2) below, a local agency, upon request of an owner of an accessory dwelling unit for a delay in enforcement, shall delay enforcement of a building standard, subject to compliance with Section 17980.12 of the Health and Safety Code:
 - (1) The accessory dwelling unit was built before January 1, 2020.
 - (2) The accessory dwelling unit was built on or after January 1, 2020, in a local jurisdiction that, at the time the accessory dwelling unit was built, had a noncompliant accessory dwelling unit ordinance, but the ordinance is compliant at the time the request is made.
 - (o) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.
- (Becomes operative on January 1, 2025)**

Section 65852.2 of the Government Code is amended to read (changes from January 1, 2021 statute noted in underline/italic):

65852.2.

- (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling residential use. The ordinance shall do all of the following:
 - (A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. A local agency that does not provide water or sewer services shall consult with the local water or sewer service provider regarding the adequacy of water and sewer services before designating an area where accessory dwelling units may be permitted.
 - (B) (i) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Resources. These standards shall not include requirements on minimum lot size.
 - (ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.
 - (C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(D) Require the accessory dwelling units to comply with all of the following:

- (i) The accessory dwelling unit may be rented separate from the primary residence, but may not be sold or otherwise conveyed separate from the primary residence.
- (ii) The lot is zoned to allow single-family or multifamily dwelling residential use and includes a proposed or existing dwelling.
- (iii) The accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling, including attached garages, storage areas or similar uses, or an accessory structure or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.
- (iv) If there is an existing primary dwelling, the total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing primary dwelling.
- (v) The total floor area for a detached accessory dwelling unit shall not exceed 1,200 square feet.
- (vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.
- (vii) No setback shall be required for an existing living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than four feet from the side and rear lot lines shall be required for an accessory dwelling unit that is not converted from an existing structure or a new structure constructed in the same location and to the same dimensions as an existing structure.
- (viii) Local building code requirements that apply to detached dwellings, as appropriate.
- (ix) Approval by the local health officer where a private sewage disposal system is being used, if required.
- (x) (I) Parking requirements for accessory dwelling units shall not exceed one parking space per accessory dwelling unit or per bedroom, whichever is less. These spaces may be provided as tandem parking on a driveway.
- (II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions.
- (III) This clause shall not apply to an accessory dwelling unit that is described in subdivision (d).
- (xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or converted to an accessory dwelling unit, the local agency shall not require that those offstreet parking spaces be replaced.
- (xii) Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) A permit application for an accessory dwelling unit or a junior accessory dwelling unit shall be considered and approved ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits. The permitting agency shall act on the application to create an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the permitting agency may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the permitting agency acts on the permit application to create the new single-family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit shall be considered without discretionary review or hearing. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay. If the local agency has not acted upon the completed application within 60 days, the application shall be deemed approved. A local agency may charge a fee to reimburse it for costs incurred to implement this paragraph, including the costs of adopting or amending any ordinance that provides for the creation of an accessory dwelling unit.

(4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency or an accessory dwelling ordinance adopted by a local agency shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. If a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this section.

(5) No other local ordinance, policy, or regulation shall be the basis for the delay or denial of a building permit or a use permit under this subdivision.

(6) (A) This subdivision establishes the maximum standards that local agencies shall use to evaluate a proposed

accessory dwelling unit on a lot that includes a proposed or existing single-family dwelling. No additional standards, other than those provided in this subdivision, shall be used or ~~imposed, including any owner-occupant requirement, except that~~ imposed except that, subject to subparagraph (B), a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant or that the property be used for rentals of terms longer than 30 days.

(B) Notwithstanding subparagraph (A), a local agency shall not impose an owner-occupant requirement on an accessory dwelling unit permitted between January 1, 2020, to January 1, 2025, during which time the local agency was prohibited from imposing an owner-occupant requirement.

(7) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(8) An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives an application for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a). The permitting agency shall act on the application to create an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the permitting agency may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the permitting agency acts on the permit application to create the new single-family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit shall still be considered ministerially without discretionary review or a hearing. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay. If the local agency has not acted upon the completed application within 60 days, the application shall be deemed approved.

(c) (1) Subject to paragraph (2), a local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units.

(2) Notwithstanding paragraph (1), a local agency shall not establish by ordinance any of the following:

(A) A minimum square footage requirement for either an attached or detached accessory dwelling unit that prohibits an efficiency unit.

(B) A maximum square footage requirement for either an attached or detached accessory dwelling unit that is less than either of the following:

(i) 850 square feet.

(ii) 1,000 square feet for an accessory dwelling unit that provides more than one bedroom.

(C) Any other minimum or maximum size for an accessory dwelling unit, size based upon a percentage of the proposed or existing primary dwelling, or limits on lot coverage, floor area ratio, open space, and minimum lot size, for either attached or detached dwellings that does not permit at least an 800 square foot accessory dwelling unit that is at least 16 feet in height with four-foot side and rear yard setbacks to be constructed in compliance with all other local development standards.

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile walking distance of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) (1) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following:

(A) One accessory dwelling unit ~~or~~ and one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling if all of the following apply:

(i) The accessory dwelling unit or junior accessory dwelling unit is within the proposed space of a single-family dwelling or existing space of a single-family dwelling or accessory structure and may include an expansion of not

more than 150 square feet beyond the same physical dimensions as the existing accessory structure. An expansion beyond the physical dimensions of the existing accessory structure shall be limited to accommodating ingress and egress.

(ii) The space has exterior access from the proposed or existing single-family dwelling.

(iii) The side and rear setbacks are sufficient for fire and safety.

(iv) The junior accessory dwelling unit complies with the requirements of Section 65852.22.

(B) One detached, new construction, accessory dwelling unit that does not exceed four-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling. The accessory dwelling unit may be combined with a junior accessory dwelling unit described in subparagraph (A). A local agency may impose the following conditions on the accessory dwelling unit:

(i) A total floor area limitation of not more than 800 square feet.

(ii) A height limitation of 16 feet.

(C) (i) Multiple accessory dwelling units within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.

(ii) A local agency shall allow at least one accessory dwelling unit within an existing multifamily dwelling and shall allow up to 25 percent of the existing multifamily dwelling units.

(D) Not more than two accessory dwelling units that are located on a lot that has an existing multifamily dwelling, but are detached from that multifamily dwelling and are subject to a height limit of 16 feet and four-foot rear yard and side setbacks.

(2) A local agency shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions.

(3) The installation of fire sprinklers shall not be required in an accessory dwelling unit if sprinklers are not required for the primary residence.

(4) A local agency may require owner occupancy for either the primary dwelling or the accessory dwelling unit on a single-family lot, subject to the requirements of paragraph (6) of subdivision (a).

~~(4)~~ (5) A local agency shall require that a rental of the accessory dwelling unit created pursuant to this subdivision be for a term longer than 30 days.

~~(5)~~ (6) A local agency may require, as part of the application for a permit to create an accessory dwelling unit connected to an onsite wastewater treatment system, a percolation test completed within the last five years, or, if the percolation test has been recertified, within the last 10 years.

~~(6)~~ (7) Notwithstanding subdivision (c) and paragraph (1) a local agency that has adopted an ordinance by July 1, 2018, providing for the approval of accessory dwelling units in multifamily dwelling structures shall ministerially consider a permit application to construct an accessory dwelling unit that is described in paragraph (1), and may impose standards including, but not limited to, design, development, and historic standards on said accessory dwelling units. These standards shall not include requirements on minimum lot size.

(f) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) An accessory dwelling unit shall not be considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the accessory dwelling unit was constructed with a new single-family dwelling.

(3) (A) A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.

(B) For purposes of this paragraph, "impact fee" has the same meaning as the term "fee" is defined in subdivision

(b) of Section 66000, except that it also includes fees specified in Section 66477. "Impact fee" does not include any connection fee or capacity charge charged by a local agency, special district, or water corporation.

(4) For an accessory dwelling unit described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge, unless the accessory dwelling unit was constructed with a new single-family ~~home-~~ dwelling.

(5) For an accessory dwelling unit that is not described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its square feet or the number of its drainage fixture unit (DFU) values, as defined in the

Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(g) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of an accessory dwelling unit.

(h) (1) A local agency shall submit a copy of the ordinance adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption. After adoption of an ordinance, the department may submit written findings to the local agency as to whether the ordinance complies with this section.

(2) (A) If the department finds that the local agency's ordinance does not comply with this section, the department shall notify the local agency and shall provide the local agency with a reasonable time, no longer than 30 days, to respond to the findings before taking any other action authorized by this section.

(B) The local agency shall consider the findings made by the department pursuant to subparagraph (A) and shall do one of the following:

(i) Amend the ordinance to comply with this section.

(ii) Adopt the ordinance without changes. The local agency shall include findings in its resolution adopting the ordinance that explain the reasons the local agency believes that the ordinance complies with this section despite the findings of the department.

(3) (A) If the local agency does not amend its ordinance in response to the department's findings or does not adopt a resolution with findings explaining the reason the ordinance complies with this section and addressing the department's findings, the department shall notify the local agency and may notify the Attorney General that the local agency is in violation of state law.

(B) Before notifying the Attorney General that the local agency is in violation of state law, the department may consider whether a local agency adopted an ordinance in compliance with this section between January 1, 2017, and January 1, 2020.

(i) The department may review, adopt, amend, or repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, and standards set forth in this section. The guidelines adopted pursuant to this subdivision are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(j) As used in this section, the following terms mean:

(1) "Accessory dwelling unit" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(2) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

(3) "Efficiency unit" has the same meaning as defined in Section 17958.1 of the Health and Safety Code.

(4) "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.

(5) "Local agency" means a city, county, or city and county, whether general law or chartered.

(6) "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.

(7) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

(8) "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.

(9) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

(10) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

(k) A local agency shall not issue a certificate of occupancy for an accessory dwelling unit before the local agency issues a certificate of occupancy for the primary dwelling.

(l) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit

applications for accessory dwelling units.

(m) A local agency may count an accessory dwelling unit for purposes of identifying adequate sites for housing, as specified in subdivision (a) of Section 65583.1, subject to authorization by the department and compliance with this division.

(n) In enforcing building standards pursuant to Article 1 (commencing with Section 17960) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code for an accessory dwelling unit described in paragraph (1) or (2) below, a local agency, upon request of an owner of an accessory dwelling unit for a delay in enforcement, shall delay enforcement of a building standard, subject to compliance with Section 17980.12 of the Health and Safety Code:

(1) The accessory dwelling unit was built before January 1, 2020.

(2) The accessory dwelling unit was built on or after January 1, 2020, in a local jurisdiction that, at the time the accessory dwelling unit was built, had a noncompliant accessory dwelling unit ordinance, but the ordinance is compliant at the time the request is made.

(o) This section shall ~~remain in effect only until January 1, 2025, and as of that date is repealed.~~ *become operative on January 1, 2025.*

Effective January 1, 2021, Section 4740 of the Civil Code is amended to read (changes noted in strikeout, underline/italics) (AB 3182 (Ting)):

4740.

(a) An owner of a separate interest in a common interest development shall not be subject to a provision in a governing document or an amendment to a governing document that prohibits the rental or leasing of any of the separate interests in that common interest development to a renter, lessee, or tenant unless that governing document, or amendment thereto, was effective prior to the date the owner acquired title to ~~his or~~ *her* ~~their~~ separate interest.

~~(b) Notwithstanding the provisions of this section, an owner of a separate interest in a common interest development may expressly consent to be subject to a governing document or an amendment to a governing document that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee, or tenant.~~

~~(c)~~ *(b)* For purposes of this section, the right to rent or lease the separate interest of an owner shall not be deemed to have terminated if the transfer by the owner of all or part of the separate interest meets at least one of the following conditions:

(1) Pursuant to Section 62 or 480.3 of the Revenue and Taxation Code, the transfer is exempt, for purposes of reassessment by the county tax assessor.

(2) Pursuant to subdivision (b) of, solely with respect to probate transfers, or subdivision (e), (f), or (g) of, Section 1102.2, the transfer is exempt from the requirements to prepare and deliver a Real Estate Transfer Disclosure Statement, as set forth in Section 1102.6.

~~(d)~~ *(c)* Prior to renting or leasing ~~his or her~~ *their* separate interest as provided by this section, an owner shall provide the association verification of the date the owner acquired title to the separate interest and the name and contact information of the prospective tenant or lessee or the prospective tenant's or lessee's representative.

~~(e)~~ *(d)* Nothing in this section shall be deemed to revise, alter, or otherwise affect the voting process by which a common interest development adopts or amends its governing documents.

~~(f) This section shall apply only to a provision in a governing document or a provision in an amendment to a governing document that becomes effective on or after January 1, 2012.~~

Effective January 1, 2021 of the *Section 4741 is added to the Civil Code, to read (AB 3182 (Ting)):*

4741.

(a) An owner of a separate interest in a common interest development shall not be subject to a provision in a governing document or an amendment to a governing document that prohibits, has the effect of prohibiting, or unreasonably restricts the rental or leasing of any of the separate interests, accessory dwelling units, or junior accessory dwelling units in that common interest development to a renter, lessee, or tenant.

(b) A common interest development shall not adopt or enforce a provision in a governing document or amendment to a governing document that restricts the rental or lease of separate interests within a common interest to less than 25 percent of the separate interests. Nothing in this subdivision prohibits a common interest development from adopting or enforcing a provision authorizing a higher percentage of separate interests to be rented or leased.

(c) This section does not prohibit a common interest development from adopting and enforcing a provision in a

governing document that prohibits transient or short-term rental of a separate property interest for a period of 30 days or less.

(d) For purposes of this section, an accessory dwelling unit or junior accessory dwelling unit shall not be construed as a separate interest.

(e) For purposes of this section, a separate interest shall not be counted as occupied by a renter if the separate interest, or the accessory dwelling unit or junior accessory dwelling unit of the separate interest, is occupied by the owner.

(f) A common interest development shall comply with the prohibition on rental restrictions specified in this section on and after January 1, 2021, regardless of whether the common interest development has revised their governing documents to comply with this section. However, a common interest development shall amend their governing documents to conform to the requirements of this section no later than December 31, 2021.

(g) A common interest development that willfully violates this section shall be liable to the applicant or other party for actual damages, and shall pay a civil penalty to the applicant or other party in an amount not to exceed one thousand dollars (\$1,000).

(h) In accordance with Section 4740, this section does not change the right of an owner of a separate interest who acquired title to their separate interest before the effective date of this section to rent or lease their property.

Effective January 1, 2020, Section 65852.22 of the Government Code ~~is~~ was amended to read (AB 68 (Ting)):
65852.22.

(a) Notwithstanding Section 65852.2, a local agency may, by ordinance, provide for the creation of junior accessory dwelling units in single-family residential zones. The ordinance may require a permit to be obtained for the creation of a junior accessory dwelling unit, and shall do all of the following:

(1) Limit the number of junior accessory dwelling units to one per residential lot zoned for single-family residences with a single-family residence built, or proposed to be built, on the lot.

(2) Require owner-occupancy in the single-family residence in which the junior accessory dwelling unit will be permitted. The owner may reside in either the remaining portion of the structure or the newly created junior accessory dwelling unit. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.

(3) Require the recordation of a deed restriction, which shall run with the land, shall be filed with the permitting agency, and shall include both of the following:

(A) A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers.

(B) A restriction on the size and attributes of the junior accessory dwelling unit that conforms with this section.

(4) Require a permitted junior accessory dwelling unit to be constructed within the walls of proposed or existing single-family residence.

(5) Require a permitted junior accessory dwelling to include a separate entrance from the main entrance to the proposed or existing single-family residence.

(6) Require the permitted junior accessory dwelling unit to include an efficiency kitchen, which shall include all of the following:

(A) A cooking facility with appliances.

(B) A food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.

(b) (1) An ordinance shall not require additional parking as a condition to grant a permit.

(2) This subdivision shall not be interpreted to prohibit the requirement of an inspection, including the imposition of a fee for that inspection, to determine if the junior accessory dwelling unit complies with applicable building standards.

(c) An application for a permit pursuant to this section shall, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, be considered ministerially, without discretionary review or a hearing. The permitting agency shall act on the application to create a junior accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family dwelling on the lot. If the permit application to create a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the permitting agency may delay acting on the permit application for the junior accessory dwelling unit until the permitting agency acts on the permit application to create the new single-family dwelling, but the application to create the junior accessory dwelling unit shall still be considered ministerially without discretionary review or a hearing. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay. A local agency may charge a fee to reimburse the local agency for costs incurred in connection with the issuance of a permit pursuant to this section.

(d) For purposes of any fire or life protection ordinance or regulation, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit. This section shall not be construed to prohibit a city, county, city and county, or other local public entity from adopting an ordinance or regulation relating to fire and life protection requirements within a single-family residence that contains a junior accessory dwelling unit so long as the ordinance or regulation applies uniformly to all single-family residences within the zone regardless of whether the single-family residence includes a junior accessory dwelling unit or not.

(e) For purposes of providing service for water, sewer, or power, including a connection fee, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit.

(f) This section shall not be construed to prohibit a local agency from adopting an ordinance or regulation, related to parking or a service or a connection fee for water, sewer, or power, that applies to a single-family residence that contains a junior accessory dwelling unit, so long as that ordinance or regulation applies uniformly to all single-family residences regardless of whether the single-family residence includes a junior accessory dwelling unit.

(g) If a local agency has not adopted a local ordinance pursuant to this section, the local agency shall ministerially approve a permit to construct a junior accessory dwelling unit that satisfies the requirements set forth in subparagraph (A) of paragraph (1) of subdivision (e) of Section 65852.2 and the requirements of this section.

(h) For purposes of this section, the following terms have the following meanings:

(1) "Junior accessory dwelling unit" means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

(2) "Local agency" means a city, county, or city and county, whether general law or chartered.

Effective January 1, 2020 Section 17980.12 is was added to the Health and Safety Code, immediately following Section 17980.11, to read (SB 13 (Wieckowski)):

17980.12.

(a) (1) An enforcement agency, until January 1, 2030, that issues to an owner of an accessory dwelling unit described in subparagraph (A) or (B) below, a notice to correct a violation of any provision of any building standard pursuant to this part shall include in that notice a statement that the owner of the unit has a right to request a delay in enforcement pursuant to this subdivision:

(A) The accessory dwelling unit was built before January 1, 2020.

(B) The accessory dwelling unit was built on or after January 1, 2020, in a local jurisdiction that, at the time the accessory dwelling unit was built, had a noncompliant accessory dwelling unit ordinance, but the ordinance is compliant at the time the request is made.

(2) The owner of an accessory dwelling unit that receives a notice to correct violations or abate nuisances as described in paragraph (1) may, in the form and manner prescribed by the enforcement agency, submit an application to the enforcement agency requesting that enforcement of the violation be delayed for five years on the basis that correcting the violation is not necessary to protect health and safety.

(3) The enforcement agency shall grant an application described in paragraph (2) if the enforcement determines that correcting the violation is not necessary to protect health and safety. In making this determination, the enforcement agency shall consult with the entity responsible for enforcement of building standards and other regulations of the State Fire Marshal pursuant to Section 13146.

(4) The enforcement agency shall not approve any applications pursuant to this section on or after January 1, 2030. However, any delay that was approved by the enforcement agency before January 1, 2030, shall be valid for the full term of the delay that was approved at the time of the initial approval of the application pursuant to paragraph (3).

(b) For purposes of this section, "accessory dwelling unit" has the same meaning as defined in Section 65852.2.

(c) This section shall remain in effect only until January 1, 2035, and as of that date is repealed.

GOV. CODE: TITLE 7, DIVISION 1, CHAPTER 4, ARTICLE 2
AB 587 Accessory Dwelling Units

Effective January 1, 2020 Section 65852.26 ~~is~~ was added to the Government Code, immediately following Section 65852.25, to read (AB 587 (Friedman)):

65852.26.

(a) Notwithstanding clause (i) of subparagraph (D) of paragraph (1) of subdivision (a) of Section 65852.2, a local agency may, by ordinance, allow an accessory dwelling unit to be sold or conveyed separately from the primary residence to a qualified buyer if all of the following apply:

- (1) The property was built or developed by a qualified nonprofit corporation.
- (2) There is an enforceable restriction on the use of the land pursuant to a recorded contract between the qualified buyer and the qualified nonprofit corporation that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.
- (3) The property is held pursuant to a recorded tenancy in common agreement that includes all of the following:
 - (A) The agreement allocates to each qualified buyer an undivided, unequal interest in the property based on the size of the dwelling each qualified buyer occupies.
 - (B) A repurchase option that requires the qualified buyer to first offer the qualified nonprofit corporation to buy the property if the buyer desires to sell or convey the property.
 - (C) A requirement that the qualified buyer occupy the property as the buyer's principal residence.
 - (D) Affordability restrictions on the sale and conveyance of the property that ensure the property will be preserved for low-income housing for 45 years for owner-occupied housing units and will be sold or resold to a qualified buyer.
- (4) A grant deed naming the grantor, grantee, and describing the property interests being transferred shall be recorded in the county in which the property is located. A Preliminary Change of Ownership Report shall be filed concurrently with this grant deed pursuant to Section 480.3 of the Revenue and Taxation Code.
- (5) Notwithstanding subparagraph (A) of paragraph (2) of subdivision (f) of Section 65852.2, if requested by a utility providing service to the primary residence, the accessory dwelling unit has a separate water, sewer, or electrical connection to that utility.
- (b) For purposes of this section, the following definitions apply:
 - (1) "Qualified buyer" means persons and families of low or moderate income, as that term is defined in Section 50093 of the Health and Safety Code.
 - (2) "Qualified nonprofit corporation" means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has received a welfare exemption under Section 214.15 of the Revenue and Taxation Code for properties intended to be sold to low-income families who participate in a special no-interest loan program.

CIVIL CODE: DIVISION 4, PART 5, CHAPTER 5, ARTICLE 1
AB 670 Accessory Dwelling Units

Effective January 1, 2020, Section 4751 ~~is~~ was added to the Civil Code, to read (AB 670 (Friedman)):

4751.

- (a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a planned development, and any provision of a governing document, that either effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use that meets the requirements of Section 65852.2 or 65852.22 of the Government Code, is void and unenforceable.
- (b) This section does not apply to provisions that impose reasonable restrictions on accessory dwelling units or junior accessory dwelling units. For purposes of this subdivision, "reasonable restrictions" means restrictions that do not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability

to otherwise construct, an accessory dwelling unit or junior accessory dwelling unit consistent with the provisions of Section 65852.2 or 65852.22 of the Government Code.

GOV. CODE: TITLE 7, DIVISION 1, CHAPTER 3, ARTICLE 10.6

AB 671 Accessory Dwelling Units

Effective January 1, 2020, Section 65583(c)(7) of the Government Code ~~is~~ was added to read (sections of housing element law omitted for conciseness) (AB 671 (Friedman)):

65583(c)(7).

Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling unit" as defined in paragraph (4) of subdivision (i) of Section 65852.2.

Effective January 1, 2020, Section 50504.5 ~~is~~ was added to the Health and Safety Code, to read (AB 671 (Friedman)):

50504.5.

(a) The department shall develop by December 31, 2020, a list of existing state grants and financial incentives for operating, administrative, and other expenses in connection with the planning, construction, and operation of an accessory dwelling unit with affordable rent, as defined in Section 50053, for very low, low-, and moderate-income households.

(b) The list shall be posted on the department's internet website by December 31, 2020.

(c) For purposes of this section, "accessory dwelling unit" has the same meaning as defined in paragraph (4) of subdivision (i) of Section 65852.2 of the Government Code.

Attachment 2: State Standards Checklist

YES/NO	STATE STANDARD*	GOVERNMENT CODE SECTION
	Unit is not intended for sale separate from the primary residence and may be rented.	65852.2(a)(1)(D)(i)
	Lot is zoned for single-family or multifamily use and contains a proposed, or existing, dwelling.	65852.2(a)(1)(D)(ii)
	The accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling, including attached garages, storage areas or similar uses, or an accessory structure, or detached from the proposed or existing dwelling and located on the same lot as the proposed or existing primary dwelling.	65852.2(a)(1)(D)(iii)
	Increased floor area of an attached accessory dwelling unit does not exceed 50 percent of the existing primary dwelling but shall be allowed to be at least 800/850/1000 square feet.	65852.2(a)(1)(D)(iv), (c)(2)(B) & C
	Total area of floor area for a detached accessory dwelling unit does not exceed 1,200 square feet.	65852.2(a)(1)(D)(v)
	Passageways are not required in conjunction with the construction of an accessory dwelling unit.	65852.2(a)(1)(D)(vi)
	Setbacks are not required for an existing living area or accessory structure or a structure constructed in the same location and to the same dimensions as an existing structure that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than four feet from the side and rear lot lines shall be required for an accessory dwelling unit that is not converted from an existing structure or a new structure constructed in the same location and to the same dimensions as an existing structure.	65852.2(a)(1)(D)(vii)
	Local building code requirements that apply to detached dwellings are met, as appropriate.	65852.2(a)(1)(D)(viii)
	Local health officer approval where a private sewage disposal system is being used, if required.	65852.2(a)(1)(D)(ix)
	Parking requirements do not exceed one parking space per accessory dwelling unit or per bedroom, whichever is less. These spaces may be provided as tandem parking on an existing driveway.	65852.2(a)(1)(D)(x)(I)

Attachment 3: Bibliography

[ACCESSORY DWELLING UNITS: CASE STUDY](#) (26 pp.)

By the United States Department of Housing and Urban Development, Office of Policy Development and Research. (2008)

Introduction: Accessory dwelling units (ADUs) — also referred to as accessory apartments, ADUs, or granny flats — are additional living quarters on single-family lots that are independent of the primary dwelling unit. The separate living spaces are equipped with kitchen and bathroom facilities and can be either attached or detached from the main residence. This case study explores how the adoption of ordinances, with reduced regulatory restrictions to encourage ADUs, can be advantageous for communities. Following an explanation of the various types of ADUs and their benefits, this case study provides examples of municipalities with successful ADU legislation and programs. Section titles include: History of ADUs; Types of Accessory Dwelling Units; Benefits of Accessory Dwelling Units; and Examples of ADU Ordinances and Programs.

[THE MACRO VIEW ON MICRO UNITS](#) (46 pp.)

By Bill Whitlow, et al. – Urban Land Institute (2014)
Library Call #: H43 4.21 M33 2014

The Urban Land Institute Multifamily Housing Councils were awarded a ULI Foundation research grant in fall 2013 to evaluate from multiple perspectives the market performance and market acceptance of micro and small units.

[SECONDARY UNITS AND URBAN INFILL: A Literature Review](#) (12 pp.)

By Jake Wegmann and Alison Nemirow (2011)
UC Berkeley: IURD
Library Call # D44 4.21 S43 2011

This literature review examines the research on both infill development in general, and secondary units in particular, with an eye towards understanding the similarities and differences between infill as it is more traditionally understood – i.e., the development or redevelopment of entire parcels of land in an already urbanized area – and the incremental type of infill that secondary unit development constitutes.

[RETHINKING PRIVATE ACCESSORY DWELLINGS](#) (5 pp.)

By William P. Macht. Urbanland online. (March 6, 2015)
Library Location: Urbanland 74 (1/2) January/February 2015, pp. 87-91.

One of the large impacts of single-use, single-family detached zoning has been to severely shrink the supply of accessory dwellings, which often were created in or near primary houses. Detached single-family dwelling zones—the largest housing zoning category—typically preclude more than one dwelling per lot except under stringent regulation, and then only in some jurisdictions. Bureaucratically termed “accessory dwelling units” that are allowed by some jurisdictions may encompass market-derived names such as granny flats, granny cottages, mother-in-law suites, secondary suites, backyard cottages, casitas, carriage flats, sidekick houses, basement apartments, attic apartments, laneway houses, multigenerational homes, or home-within-a-home.

[Regulating ADUs in California: Local Approaches & Outcomes](#) (44 pp.)

By Deidra Pfeiffer
Turner Center for Housing and Innovation, UC Berkeley

Accessory dwelling units (ADU) are often mentioned as a key strategy in solving the nation's housing problems, including housing affordability and challenges associated with aging in place. However, we know little about whether formal ADU practices—such as adopting an ordinance, establishing regulations, and permitting—contribute to these goals. This research helps to fill this gap by using data from the Turner California Residential Land Use Survey and the U.S. Census Bureau to understand the types of communities engaging in different kinds of formal ADU practices in California, and whether localities with adopted ordinances and less restrictive regulations have more frequent applications to build ADUs and increasing housing affordability and aging in place. Findings suggest that three distinct approaches to ADUs are occurring in California: 1) a more restrictive approach in disadvantaged communities of color, 2) a moderately restrictive approach in highly advantaged, predominately White and Asian communities, and 3) a less restrictive approach in diverse and moderately advantaged communities. Communities with adopted ordinances and less restrictive regulations receive more frequent applications to build ADUs but have not yet experienced greater improvements in housing affordability and aging in place. Overall, these findings imply that 1) context-specific technical support and advocacy may be needed to help align formal ADU practices with statewide goals, and 2) ADUs should be treated as one tool among many to manage local housing problems.

[ADU Update: Early Lessons and Impacts of California's State and Local Policy Changes](#) (8 p.)

By David Garcia (2017)
Turner Center for Housing and Innovation, UC Berkeley

As California's housing crisis deepens, innovative strategies for creating new housing units for all income levels are needed. One such strategy is building Accessory Dwelling Units (ADUs) by private homeowners. While large scale construction of new market rate and affordable homes is needed to alleviate demand-driven rent increases and displacement pressures, ADUs present a unique opportunity for individual homeowners to create more housing as well. In particular, ADUs can increase the supply of housing in areas where there are fewer opportunities for larger-scale developments, such as neighborhoods that are predominantly zoned for and occupied by single-family homes.

In two of California's major metropolitan areas -- Los Angeles and San Francisco -- well over three quarters of the total land area is comprised of neighborhoods where single-family homes make up at least 60 percent of the community's housing stock. Across the state, single-family detached units make up 56.4 percent of the overall housing stock. Given their prevalence in the state's residential land use patterns, increasing the number of single-family homes that have an ADU could contribute meaningfully to California's housing shortage.

[Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle and Vancouver](#) (29 pp.)

By Karen Chapple et al (2017)
Turner Center for Housing and Innovation, UC Berkeley

Despite government attempts to reduce barriers, a widespread surge of ADU construction has not materialized. The ADU market remains stalled. To find out why, this study looks at three cities in the Pacific Northwest of the United States and Canada that have seen a spike in construction in recent years: Portland, Seattle, and Vancouver. Each city has adopted a set of zoning reforms, sometimes in combination with financial incentives and outreach programs, to spur ADU construction. Due to these changes, as well as the acceleration of the housing crisis in each city, ADUs have begun blossoming.

[Accessory Dwelling Units as Low-Income Housing: California's Faustian Bargain](#) (37 pp.)

By Darrel Ramsey-Musolf (2018)

University of Massachusetts Amherst, ScholarWorks@UMass Amherst

In 2003, California allowed cities to count accessory dwelling units (ADU) towards low-income housing needs. Unless a city's zoning code regulates the ADU's maximum rent, occupancy income, and/or effective period, then the city may be unable to enforce low-income occupancy. After examining a stratified random sample of 57 low-, moderate-, and high-income cities, the high-income cities must proportionately accommodate more low-income needs than low-income cities. By contrast, low-income cities must quantitatively accommodate three times the low-income needs of high-income cities. The sample counted 750 potential ADUs as low-income housing. Even though 759 were constructed, no units were identified as available low-income housing. In addition, none of the cities' zoning codes enforced low-income occupancy. Inferential tests determined that cities with colleges and high incomes were more probable to count ADUs towards overall and low-income housing needs. Furthermore, a city's count of potential ADUs and cities with high proportions of renters maintained positive associations with ADU production, whereas a city's density and prior compliance with state housing laws maintained negative associations. In summary, ADUs did increase local housing inventory and potential ADUs were positively associated with ADU production, but ADUs as low-income housing remained a paper calculation.



City of Hayward

OBJECTIVE STANDARDS FOR RESIDENTIAL DEVELOPMENT AND ZONING CONSISTENCY UPDATES

PROPOSAL FOR SERVICES

Revised - January 20, 2022

SUBMITTED TO:

Elizabeth Blanton, Senior Planner
City of Hayward
Development Services Department
777 B Street
Hayward, CA 94541
elizabeth.blanton@hayward-ca.gov

SUBMITTED BY:

Mintier Harnish
1415 20th Street
Sacramento, CA 95811
916.446.0522
mintierharnish.com

IN ASSOCIATION WITH:

Miller Planning Associates
DKS Associates



December 15, 2021

Elizabeth Blanton, Senior Planner
City of Hayward
Development Services Department
777 B Street
Hayward, CA 94541
elizabeth.blanton@hayward-ca.gov

RE: Objective Standards for Residential Development and Zoning Consistency Updates

Dear Ms. Blanton:

Mintier Harnish is pleased to submit this proposal to assist the City of Hayward with the preparation of the Objective Standards for Residential Development and Zoning Consistency Updates (Objective Standards and Zoning Consistency Updates). Since 1985, we have served over 100 public agencies and have established ourselves as a leader in general plan, housing element, and zoning code updates in California. In response to your request for proposals, the City will likely receive responses from several qualified firms. We feel there are several key factors that distinguish us.

Zoning Code Preparation Experience. Our team has extensive experience with drafting and ensuring adoption of zoning codes and other types of development regulations. We are able to create innovative and practical solutions to both routine and unique zoning and planning problems.

Extensive Local Familiarity. Our team has unmatched local familiarity of the community. Most notably, Mintier Harnish led the consultant team that assisted the City of Hayward with the preparation of the 2040 General Plan and Economic Development Strategic Plan. Secondly, Miller Planning Associates led the consultant team that assisted the City of Hayward with the Industrial Design Guidelines and Development Code Update. Third, Jordan Cowell, part of our management team, led the redesign of 808 A Street and senior-housing project across from City Hall, and assisted in the site planning and architectural design effort for the SoHAY development. Each of these highly successful efforts won the strong support and praise from the City Council and community. They reflect the aspirations and goals of the Hayward community for increased quality of life, economic vitality, and streamlined development. The natural next step is to ensure that the City's Objective Standards for Residential Development reflect the goals and aspirations of the previous efforts and continue to ensure that Hayward is on the cutting edge of design and development, while encouraging more affordable housing options for the community. We are ideally suited to lead this Project.

Familiarity with Contemporary Zoning Practice. We are familiar with new and emerging zoning practice trends and issues. We produce zoning ordinances that are user-friendly and rely extensively on graphics and illustrations. We are addressing the changing housing-related provisions in zoning codes, including ADUs, density bonus, employee housing, emergency shelters, transitional housing, and objective design standards. We are also at the forefront in the development of web-based zoning codes.

Comprehensive Objective Design Standards Experience and Implementation. We have a comprehensive understanding of the State requirements of objective design standards and have provided innovative ways for successful implementation. We have or are currently assisting 19 communities of all sizes adapt and implement objective design standards. We focus on creating standards that are not only acceptable to the community and are easy to understand, but are also acceptable to the development community.

Local Government Experience. We have extensive experience as local government staff. We have “hands-on” experience with all levels of zoning code administration, ranging from answering zoning inquiries at the front counter, to processing land use permit applications and preparing staff reports, to managing planning divisions and departments. We have personally drafted zoning codes and then been responsible for the administration and enforcement of those regulations. We understand the wide array of day-to-day issues City staff must address in code administration, as well as the needs of the public for timely, accurate responses to their questions.

Experienced Project Management. I will be the Project Advisor for the Objective Standards and Zoning Consistency Updates. I have been a planner since 1970 and have participated in the preparation of dozens of zoning code updates. Brent Gibbons, AICP, will be the Project Director. Brent brings over a decade of planning experience and has prepared more than ten zoning code updates for communities throughout the state. Jordan Cowell will be intimately involved in the project as the Project Manager. Jordan has eight years of experience in urban design in the Bay Area and has been a critical element to our successful objective standards efforts.

An Excellent Team. Our teaming partners brings extensive zoning code update experience as well.

- **Miller Planning Associates (MPA)** has been providing planning and zoning services to a variety of municipal clients throughout California and nationwide. **Martha Miller**, Founder, and Principal of MPA, has facilitated the comprehensive update of over a dozen zoning codes in the last 20 years. Martha and Brent also co-teach the UC Davis Course on How to Update Your Zoning Code. Mintier Harnish and MPA are partnering on several code updates including comprehensive updates for Calaveras and Madera Counties.

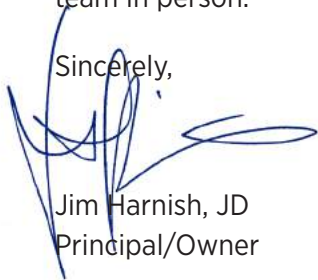
- **DKS Associates** will provide the parking analysis and will be led by Jim, Damkowitch, Managing Director of DKS Sacramento. Jim brings more than 30 years of experience in regional multimodal transportation planning.

Active Principal Involvement. I am personally leading the Mintier Harnish Team. I will be fully engaged in every aspect of the Objective Design Standards project. As noted above, I have been a Planning Director for several cities and prepared and administered dozens of zoning codes. I will be involved in the project daily and in regular contact with City staff, the community, and decision-makers.

Work Style. As part of this effort, we will be working closely with City staff, the community, Planning Commission, and City Council. To have an effective, stress free, and enjoyable process, you need a team that is great to work with. Our team has a very approachable, collegial, and comfortable work style with our clients. We bring a great process experience and tailor it to the needs and personality of each community. We develop close, collaborative working relationships with each of our clients that last well beyond the completion of a project. We strongly urge you to confirm this with our references.

As the owner of Mintier Harnish, I am authorized to bind the firm contractually on this project. Please contact me if you have any questions at 916-446-0522 or jim@mintierharnish.com. I look forward to the opportunity to present our proposal and team in person.

Sincerely,



Jim Harnish, JD
Principal/Owner



Contents

- 1. Cover Letter1
- 2. Team 5
- 3. Experience 9
- 4. Project Understanding and Approach15
- 5. Scope of Work..... 19
- 6. Schedule of Charges 25
- 7. Budget 25
- Appendix A: Detailed ResumesA-1
- Appendix B: Project Example SheetsB-1
- Appendix C: Professional Services Agreement CD-1
- Appendix D: Disclosures CD-1

2. Team

Qualifications

Mintier Harnish

Mintier Harnish is a Sacramento-based consulting firm specializing in the preparation of general plans, housing elements, zoning codes, and specific plans. Our mission as a firm is to help public agencies, residents, businesses, and other stakeholders plan their communities and improve their quality of life through solid research, community involvement, innovation, and policy leadership. Since our founding in 1985, we have prepared more than 60 general plans and over two dozen zoning codes, and provided a range of planning services to more than 140 public agencies, law firms, and other organizations. We are currently leading 14 objective design and development standards updates for both cities and counties across the state. We are a leader in preparing implementable plans for the future that solve community policy and design issues. Our staff includes planning experts, each with his/her own unique mixture of education, training, and experience. We are all dedicated to providing the highest quality service to our clients.

Mintier Harnish has extensive experience in planning, zoning, and urban design. We are currently preparing objective design standards for the cities of Folsom, Gilroy, Kerman, Lakeport, Millbrae, Pleasant Hill, Reedley, Santa Clara, Selma, Stockton, Ukiah, the Town of Windsor, and the counties of Calaveras, Del Norte, El Dorado, Fresno, Madera, Mariposa, and Trinity.

Miller Planning Associates

Miller Planning Associates provides planning and zoning services to a variety of municipal clients throughout California and nationwide. Through our work, we seek to give form to community aspirations, and foster places that are vital, livable, and reflect environmental stewardship. After 20 years of working in private firms and the public sector, Martha Miller established Miller Planning Associates in 2019 to provide each client and project the time and individual attention it deserves. Each assignment is approached with an open mind, and provides strategic, context-based solutions that address the unique issues and needs facing each client. Martha Miller will serve as a Project Advisor, overseeing the Zoning Amendments. She will provide peer review of deliverables and assist and attend all project meetings and community outreach events. Miller Planning Associates is located in San Luis Obispo, CA.

Miller Planning Associates has extensive experience in planning and zoning in California. Notably, Martha recently led the recent Zoning Code Update for the City of Hayward. Miller Planning Associates is currently working on code updates for the communities of Alhambra, Calaveras County, Dixon, Hermosa Beach, Morro Bay, and Stockton; and objective standards for the cities of San Leandro and Union City.

DKS Associates

DKS will provide the parking analysis.

Founded in 1979, DKS is a transportation consulting firm that provides a broad range of transportation planning and engineering services. As experts connecting communities, DKS specializes in transportation planning, traffic engineering, traffic operations, traffic signal design, circulation elements, environmental planning, and Intelligent Transportation Systems (ITS) design and planning.

DKS has assessed the potential parking impacts of many commercial and residential projects in a wide variety of settings.

Staffing



Jim Harnish, JD
Principal/Owner
Role: Project Advisor

Jim Harnish, JD, is the Principal/Owner of Mintier Harnish and will be the project team leader. Jim has been a planner and project manager since 1970. He has been an attorney since 1981,

with extensive experience in land use and CEQA. Jim has been Planning Director for three cities (Galt, Folsom, and South San Francisco) and understands every aspect of city and county planning and zoning. He has managed or is currently managing general plan updates for the cities of Alturas, American Canyon, Folsom, Galt, Gilroy, Hayward, Healdsburg, Isleton, Livingston, Millbrae, Rohnert Park, Sacramento, South San Francisco, Ukiah, Union City, Wheatland, and Windsor, and the counties of Calaveras, Fresno, Kern, Merced, Modoc, San Benito, San Joaquin, and Ventura. Jim is currently managing zoning code updates or amendments for the cities of Gilroy, Santa Clara, Ukiah, and Windsor and the counties of Madera, Mariposa, and Sierra. Jim has an unparalleled working knowledge of general plan updates and has prepared dozens of general plan work programs and budgets.



Brent Gibbons, AICP
Project Manager
Role: Project Director

Brent has been a planner in both the public and private sectors. He specializes in zoning code interpretation and preparation, urban design, site design, community

engagement, land use planning, public policy, and geographic information systems. Prior to working with Mintier Harnish, Brent served as a Planner for both Madera County and the City of Turlock. His experience includes permit processing, formation of community/area plans, and project management, as well as zoning ordinance development.

Brent has extensive experience in drafting zoning code updates and objective and development standards. Brent is currently managing comprehensive zoning code updates for the counties of Fresno, Madera, Mariposa, Merced, and Sierra, and the cities of Folsom, Gilroy, Kerman Santa Clara, Walnut Creek, and Windsor. He has also managed objective standards updates for the counties of Fresno, Mariposa, and Madera, and the cities of Folsom, Gilroy, Kerman, Santa Clara, Ukiah, South Lake Tahoe, and Windsor. Brent's comprehensive understanding of the planning process from both sides of the planning spectrum has proven beneficial during the formation of and zoning code and objective standards updates.



Jordan Cowell
Project Manager
Role: Project Manager

Jordan Cowell is a Project Manager who specializes in both architecture and planning/urban design. Jordan has become an integral member of the planning team as he is able

to ensure plans will actually work for builders. Jordan applies his detailed knowledge to each project, streamlining the preliminary planning to construction document process for our clients. His municipal planning experience allows him to actively engage in a wide range of roles on the planning team, including fast, yet thorough, zoning code analysis thanks to his intimate understanding of how codes are organized and written.

Jordan is an experienced problem solver, is adept in writing specific plans, and provides effective and efficient support in entitlement processes, thanks to his work on a wide array of project types ranging from large-scale master plans to urban infill/mixed-use projects. He has a passion for developing a sustainable vision for communities and future generations to come. Jordan is Assistant Project Manager for the City of Millbrae, City of San Ramon, and Trinity County General Plans. Additionally, Jordan is currently working on objective standards projects for the cities of Gilroy, Lakeport, and Pleasant Hill.



Ryan Lester
Associate Planner

Ryan is an Associate Planner with an eye for design. A skilled user of industry-standard graphic design software, Ryan specializes in preparing accessible, user-friendly materials that present

planning concepts to the public in concise, easy-to-understand, and engaging ways. Ryan applies these skills while crafting existing conditions and trends analyses, housing needs assessments, and land use alternatives analyses for cities and counties throughout the state. Additionally, he designs project websites, facilitates workshops and stakeholder interviews, and constructs interactive exercises and surveys for both in-person and online engagement efforts. In eight years with Mintier Harnish, Ryan has worked on over a dozen General Plans and an equal number of housing elements. Among other projects, Ryan is currently working on five 6th-cycle housing elements and is drafting Objective Design and Development Standards for SB 35 compliance for a half dozen cities.



Michael Gibbons
Associate Planner

Michael Gibbons is an Associate with Mintier Harnish. Michael serves as the day-to-day planner for a variety of long-term planning projects including general plans, zoning code updates, and housing elements.

He has experience in land use planning, zoning regulations, Crime Prevention Through Environmental Design, urban design, architectural applications, historic preservation, real estate development, regulatory code, and public policy. Michael has worked in both the public and private sector, as well as in law enforcement. Michael holds a bachelor's degree in City and Regional Planning from Cal Poly, San Luis Obispo. Among a number of projects, Michael is currently assisting with the preparation of the Mariposa County Development Code Update, the Town of Windsor Zoning Code Amendments, and the City of Gilroy General Plan and Zoning Code Updates.

Miller Planning Associates



Martha Miller, AICP
Principal and Owner
Role: Zoning Advisor

Martha is a skilled land use planner and project manager specializing in community planning, development regulations, and community

engagement. With 20 years of experience working in private firms and for public agencies, Martha brings an in-depth understanding of how to translate community vision into a usable set of plans, policies, and regulations that achieve results. Martha's approach is marked by carefully assessing each client's needs and resources, and bringing best practices from form-based, performance-based, and Euclidean applications.

clients including Caltrans, MPOs, and various cities and counties in California. He has served on state and regional planning committees and conference panels for transportation air quality conformity, performance measurement, and SB 743, respectively.

Yana Loginova, EIT
Transportation Engineering Associate

Yana is a transportation engineering associate working on a variety of design, planning, and operations projects. She has experience working on traffic signal modification, signing and striping, lighting, ramp meter, ITS, and operations projects with private and public agencies throughout California and Oregon. Yana is experienced in applying the latest transportation software packages, including AutoCAD, Microstation, Vissim, Vistro, Sidra, Tru Traffic, Synchro 10, and Aimsun Next.

Sean Carney, EIT
Transportation Engineer/Planner

Sean offers a broad range of analysis skills including signal timing, traffic operations analysis, transportation system planning, and crash data and safety analysis. He almost exclusively works with public agencies to identify and resolve the transportation issues of today and plan around the travel demand of the future. Sean is experienced in providing both quantitative and qualitative analysis for all methods of mobility and has worked on projects throughout Northern California and Oregon to address the needs of growing traffic, transit, and active mobility demands. Sean is adept at applying various software packages for traffic analysis including Synchro/SimTraffic, Vissim, ArcGIS, and Cube.

DKS Associates



Jim Damkowitz
Managing Director
DKS Sacramento

Jim has 30 years of experience in regional multimodal transportation planning, congestion management, multidisciplinary corridor studies, safety studies, transit

studies, active transportation studies, operational analyses, transportation and air quality modeling, and performance measure applications. He has managed regional transportation plan/sustainable community strategy updates and general plan circulation element updates; operational traffic studies for state highway infrastructure improvement projects (PSR/PA-ED Phases); corridor studies; active transportation studies; traffic impact fee programs; travel demand modeling; air quality modeling; and, transportation operational studies for a variety of

3. Experience

Relevant Experience:

- City of South Lake Tahoe Objective Residential Design and Development Standards and Permit Process Streamlining for Residential Development
- City of Santa Clara Comprehensive Zoning Code Update and Objective Design and Development Standards Update
- City of Ukiah Multi-Family Objective Standards and Zoning Amendments for Housing
- City of Gilroy Zoning Ordinance Update and Objective Design and Development Standards
- Town of Windsor Multifamily Objective Design Standards
- City of Lakeport Objective Design and Development Standards for Residential Development
- Del Norte County 6th Cycle Housing Element, Objective Design and Development Standards, and Housing Element Implementation

References

Mintier Harnish

City of Ukiah Objective Standards and Zoning Amendments for Housing

Mintier Harnish is currently preparing objective multifamily residential design standards and an update to the Ukiah Zoning Ordinance to address flexible standards for housing development. The objective design standards and zoning ordinance amendments will reflect changes in State law and implementation of the City's Housing Element, which was adopted in early 2020. Mintier Harnish is also leading a team to work with the City to update the General Plan. The update includes broad community engagement, visioning, alternatives, policy development and a Program EIR, will be prepared by Rincon Consultants. The Objective Standards were adopted in June 2021.

Contact: Mireya G. Turner, MPA
Interim Senior Planner – Special Projects
Department of Community Development
300 Seminary Avenue, Ukiah, CA 95482
(707) 463-6203
mturner@cityofukiah.com

Project Director: Jim Harnish
Project Manager: Brent Gibbons
Timing: May 2020 to June 2021
Budget: \$97,000

City of Hayward 2040 General Plan Update and Program Environmental Impact Report (2012-2015)

Mintier Harnish managed a multi-disciplinary consulting team in a comprehensive update of the City of Hayward General Plan and preparation of a Program EIR. The General Plan incorporated new City initiatives within the context of several significant changes in State law and a comprehensive strategy for how the City can address climate change and sustainability. City staff took a major role in updating the General Plan in-house. Mintier Harnish worked closely with City staff and the team of consultants to produce an innovative and compelling plan for Hayward's future. We conducted focused Do-It-Yourself General Plan® training sessions with City staff throughout the Update process. The resulting 2040 General Plan established a new Vision for the city of Hayward and included several unique elements, including a Community Health and Quality of Life Element and an Education and Lifelong Learning Element. The General Plan was also developed as the City's Community Risk Reduction Plan and as the City's Climate Action Plan. The City Council certified the Final PEIR and approved the Hayward 2040 General Plan in July 2014. Following adoption, the Mintier Harnish team created a web-based, fully searchable online General Plan (www.hayward2040generalplan.com).

Contact: Sara Buzier, AICP,
Deputy Director
Development Services Department
510.583.4191
sara.buzier@hayward-ca.gov

Project Manager: Jim Harnish
Timing: 2011-2015
Budget: \$1,171,210

City of Gilroy Zoning Ordinance Update and Objective Design Standards for Multifamily Residential Development

Our team is currently preparing a comprehensive update of the City's Zoning Ordinance, as well as a comprehensive set of Objective Standards and an Missing Middle Housing memorandum. This update is being undertaken in conjunction with an update of the General Plan. The Zoning Ordinance Update includes compliance with changes in Federal and State law and implementation of the updated General Plan. The Objective Design Standards were adopted by the City Council November 2021. This project is scheduled to conclude in Spring 2022.

Contact: Cindy McCormick
Customer Service Manager
City of Gilroy
(408) 846-0253
cindy.mccormick@cityofgilroy.org

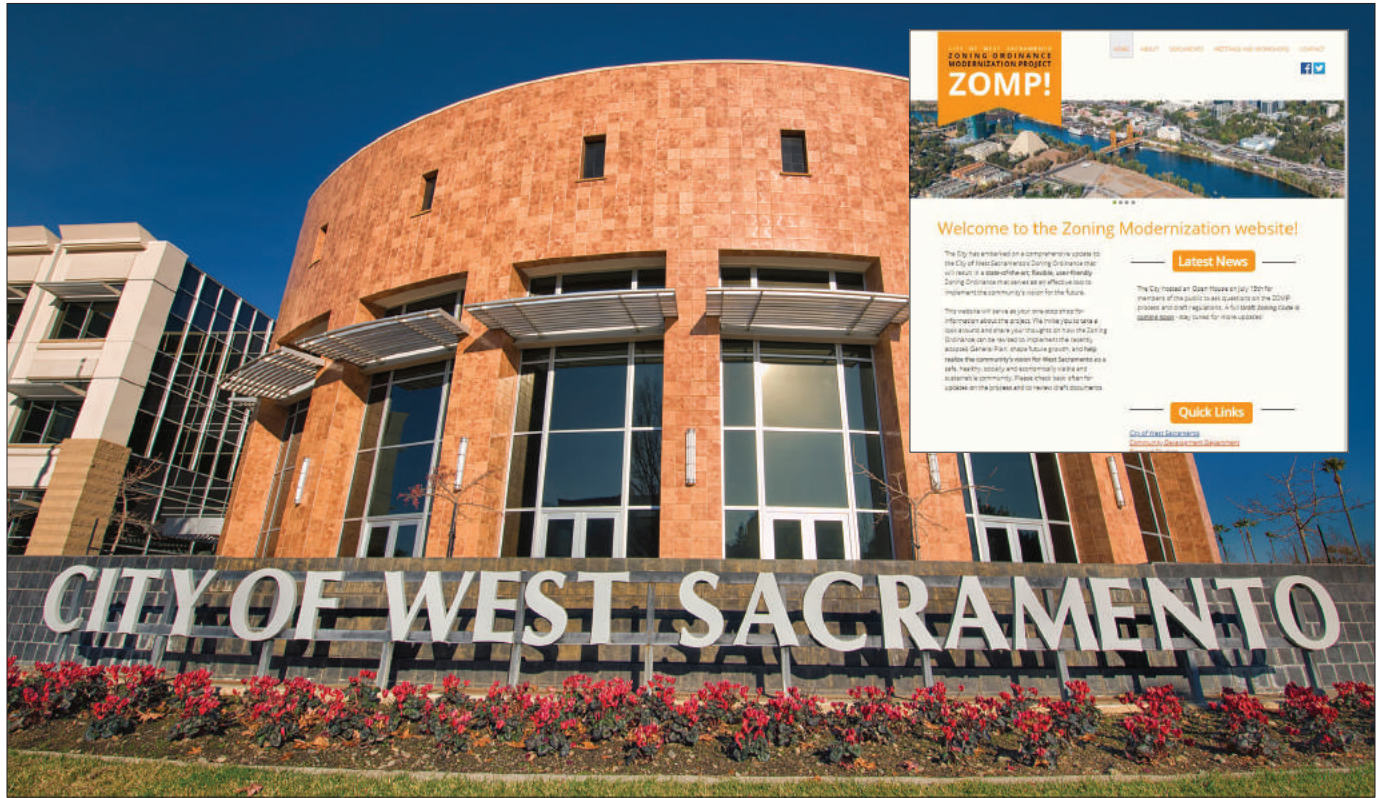
Project Director: Jim Harnish
Project Manager: Brent Gibbons
Timing: October 2020 - November 2021
Budget: Objective Standards - \$120,000

Miller Planning Associates

We have included project examples on the following pages.

WEST SACRAMENTO, CALIFORNIA

ZONING ORDINANCE MODERNIZATION

**CLIENT**

City of West Sacramento

PROJECT TIMELINE

2016-2019

CONTACT

David Tilley, Principal Planner
(916) 617-4645
davidt@cityofwestsacramento.org

CONTRACT AMOUNT

\$235,000

WEB LINK

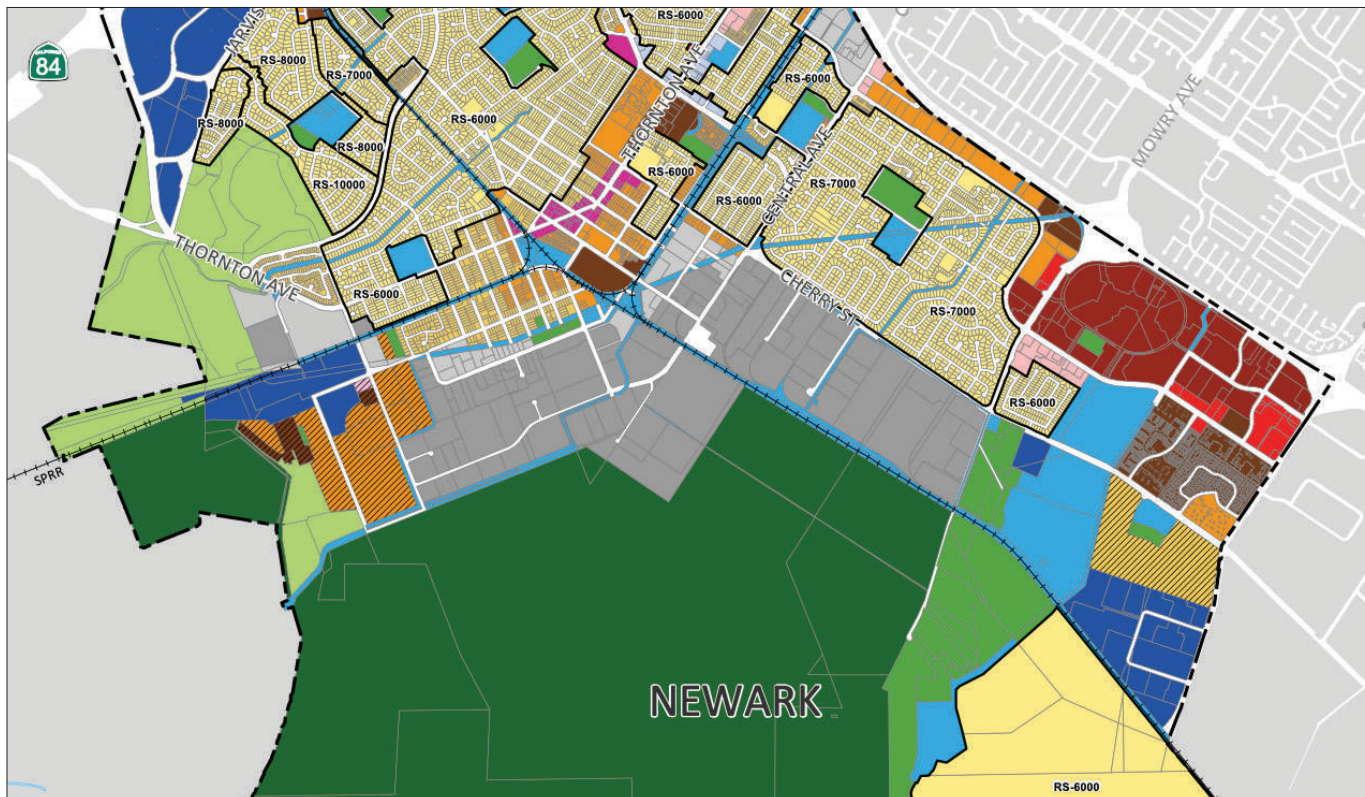
<http://online.encodeplus.com/regs/westsacramento-ca/index.aspx>

Martha Miller was the project manager for a comprehensive update to the City's Zoning Ordinance. The Zoning Ordinance, originally written in 1990 shortly after incorporation, had been amended numerous times but had not been comprehensively updated. As land use patterns diversified and modernized, the City found that the Zoning Ordinance was hindering new land use and development objectives and economic development.

The Zoning Ordinance Modernization Project (ZOMP!) brought the code up to date, adequately reflecting modern uses and current development practices. The ZOMP! also provides consistency with the recently adopted General Plan. Included in the update was a comprehensive revision of the City's sign regulations. The goal of the sign regulation revisions was to provide for the conveyance of information in a way that protects and enhances community character and is consistent with recent case law.

NEWARK, CALIFORNIA

ZONING CODE UPDATE



CLIENT

City of Newark

PROJECT TIMELINE

2016-2018

CONTACT

Art Interiano, Deputy Community Development Director
(510) 578-4331
art.interiano@newark.org

CONTRACT AMOUNT

\$250,000

WEB LINK

<http://bit.ly/2KsD6iG>

Martha Miller was the project manager for the comprehensive update of the City of Newark's Zoning Ordinance. The new Zoning Ordinance implements the City's General Plan in a concise, user-friendly set of regulations. A priority of this project was to craft regulations that will allow Newark to maintain and enhance the character of existing neighborhoods, promote economic development, and create new identifiable places, consistent with the General Plan. The new regulations are written to be predictable, understandable, and enforceable. A streamlined approval process has been established for conforming projects and an extensive use of graphics have been integrated to reduce wordiness. The update was comprehensive, including new districts, use allowances, procedures, and sign regulations. The sign regulations were updated to comply with state and federal law and the 2015 Supreme Court case Reed v. Town of Gilbert.

DKS Associates

City of Hercules General Plan Circulation Element

DKS assisted the City of Hercules in updating the Circulation Element of their General Plan, previously updated in 1998 by DKS. The update includes an improved focus on a multimodal transportation network and complete streets concepts and improvements and included the following elements:

- Develop a program for outreach that helped to identify the needs and concerns of stakeholders, decision-makers, and the public
- Evaluation of the existing circulation system and projected development to evaluate and prioritize potential improvements
- Creation of a circulation model for Hercules based on the existing CCTA traffic model to evaluate various transportation improvement alternatives
- Update of the goals and policies included in the existing Circulation Element to reflect current priorities
- Confirmation of environmental (CEQA) compliance for the identified alternatives
- Assist in the adoption of the Circulation Element and provide the City with guidance on fee programs, grant programs, and other existing or emerging sources that could be tapped to help fund improvements identified in the Circulation Element

The update also included a task to do cost estimating for the identified improvements and a Nexus Study to establish a developer fee structure.

Contact: Holly Smith, City of Hercules Planning Director, (510) 799-8247, hsmlyth@ci.hercules.ca.us

City of Dixon General Plan Update/EIR

DKS was contracted to prepare the transportation and circulation element update for Dixon's General Plan and perform analysis in support of the EIR. DKS will be providing transportation modeling and engineering services, including the assessment of transportation impacts of a baseline future land use and up to two alternatives for the General Plan and EIR. DKS will also recommend improvements that will be required to mitigate potential impacts determined in the analysis.

Contact: Joe Leach, PE, City Engineer/Public Works Director, (707) 678-7031x5305, jleach@ci.dixon.ca.us

City of Santa Maria VMT Threshold Study

DKS is developing the City of Santa Maria's SB 743 VMT Threshold Study. The study entailed establishing a VMT methodology, analysis and establishment of VMT Thresholds, assessment of VMT mitigation, and development of a VMT Sketch Planning Tool. DKS also reviewed the City of Santa Maria's VISUM model to identify modifications that will allow the model to be more sensitive to VMT assessments consistent with SB 743. The Santa Maria model was modified and now generates full-trip length VMT estimates for both residential and non-residential City trips consistent with SB 743. DKS made two presentations to the Santa Maria Planning Commission to describe and provide options regarding screening criteria and thresholds. Adoption of the City of Santa Maria VMT Thresholds by City Council is scheduled/anticipated by September 2020.

Contact: Ryan Hostetter, AICP, Planning Manager, (805) 925-0951 x2369, rhostetter@cityofsantamaria.org

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4. Project Understanding and Approach

Project Understanding

The City of Hayward is seeking proposals from qualified consultants to prepare Objective Standards for Residential Development and Zoning Consistency Updates (Objective Standards and Zoning Consistency Updates). Our understanding of the Project is based on a combination of the Request for Proposals, the City's response to questions regarding the RFP (Addendum 1), our experience assisting numerous other communities in successfully crafting standards, our overall understanding of the housing crisis in California, and our knowledge from preparing zoning codes for dozens of cities and counties throughout the state. This Project is the City's opportunity to establish clear and unambiguous, internally-consistent, legally-defensible residential design standards and development regulations that reflect a contemporary Hayward. The objective design and development standards will comply with the requirements of State law and set the stage for continued positive change in the community. Based on our understanding, we have identified seven objectives for the Project.

Engage the Community. The City expects the Consultants to work with staff to organize and facilitate an effective community engagement program. The engagement program should include a wide range of components intended to maximize public participation, including a project webpage, project-specific marketing materials, interactive outreach efforts, community workshops, stakeholder meetings, study sessions, and adoption hearings. The new Objective Standards must be based upon the results of a comprehensive public engagement program to ensure that everyone in the community has an opportunity to participate and are fully represented in shaping Hayward's future. Further, outreach activities should be conducted through a racial equity lens to ensure that the proposed objective standards and zoning updates do not disproportionately impact communities of color. Special attention should be given to communicating information clearly and succinctly and in multiple languages, as necessary, so that it is accessible and easy to understand.

Recent Changes to State Law

California is in the midst of a housing crisis in which communities throughout the state are challenged with accommodating their fair share of housing production. The housing shortage prompted California to enact new laws in 2017 (SB 35, SB 167, AB 648) requiring cities and counties to streamline housing approval by establishing a by-right, ministerial approval process for multifamily residential development; and to provide an increased standard of proof to legally deny a lower- or moderate-income housing project. In 2019, changes to the Housing Accountability Act (SB 330, AB 1485) further limited a jurisdiction's ability to deny or reduce the density of housing projects that meet objective standards, while expanding SB 35 eligibility and protections under the HAA. Under these changes to State law, jurisdictions without a ministerial approval process have little say in the design of developments processed under the protections of the HAA. Key to the establishment of this process is the replacement of subjective design guidelines and discretionary review with objective standards and ministerial approval.

Finally, the zoning code will need to be brought into compliance with State legislation from 2021, including SB 9, SB 10, and SB 478, which directly limit a jurisdiction's ability to control certain density, lot size, and lot coverage requirements.

Conduct Background Research. The City expects the Consultants to conduct background research to gain an understanding of community priorities, the City's current residential development standards, and existing General Plan and Zoning discrepancies for single family zoned parcels in Hayward. The Consultants will prepare a General Plan Zoning Discrepancy Memo that identifies parcels within the city that are zoned for single family residential uses but have underlying General Plan designations that allow or require higher densities. The memo should include analysis of the implications of SB 9 and any

other recent State legislation on these parcels, and specifically whether this recent legislation eliminates any of the existing discrepancies in allowable density.

As part of this process, the City expects the Consultants to prepare a Residential Objective Standards Background Report that summarizes recent legislation, including SB 35, SB 330, SB 8, and SB 9, that restrict the City's ability to deny projects that meet adopted objective standards. The report should further analyze the City's Zoning Ordinance, Off-Street Parking Regulations, Mission Boulevard Corridor Code, Downtown Development Code, Design Guidelines, Hillside Design and Urban/Wildland Interface Guidelines, and various Neighborhood Plans to summarize the objective standards for residential development are already in place and where changes or additions may be appropriate. Finally, the report should also identify best practices regarding objective standards in similar communities around the Bay Area and beyond.

Develop a Vision for the Objective Standards.

The City expects the Consultants to develop a Vision Statement for the Residential Objective Standards portion of the project that fine tunes the project's goals and objectives, as identified through initial outreach to decision makers, stakeholders, community members, and staff. The Vision Statement should be designed as a one-to-two-page graphic handout that is eye-catching and easy to understand.

Provide a Technical Report with Options and Recommendations.

The City expects the Consultants to prepare a Technical report that explores potential updates for zoning consistency and provides options and recommendations for new or revised objective standards for residential development. The Report should include a Zoning Consistency Recommendations Memo that introduces different approaches to bringing the City's single family zoned properties into compliance with their underlying General Plan land use designations. This may include a rezoning of these properties, creation of one or more zoning overlays, or other strategies. The memo should state which, if any, of the proposed approaches would require environmental analysis.

Additionally, the Technical Report should include an Objective Standards Technical Report that introduces various options for objective standards for residential development that the City may want to adopt. The Report should analyze tradeoffs in selecting different options, including the potential impacts to different stakeholders and community members, the feasibility and/or potential economic impacts, and impacts to overall design aesthetic and diversity. The analysis should include a Prototype Analysis that illustrates how changes in key development standards (such as parking, massing, setbacks, and articulation) would result in different building prototypes for three residentially zoned sites in the city.

Draft Objective Residential Standards and

Zoning Consistency Updates. The City expects the Consultants to develop Draft Objective Standards and Zoning Consistency Updates based on feedback received on the Zoning Consistency Recommendations Memo and Objective Standards Technical Report. Both documents should indicate the specific location where the proposed changes will occur in the City's adopted Ordinances, Codes, and Plans. The City expects the Objective Standards to include high quality graphics and diagrams to clearly illustrate standards.

Complete Environmental Review. If necessary, the Consultants will prepare all required studies and documents for California Environmental Quality Act (CEQA) review, including, if warranted, an Initial Study and Draft and Final Addendum to the General Plan EIR. For budget purposes, the Consultants should list different costs depending on the level of analysis that may ultimately be needed. The City expects the Consultants to provide one Administrative Draft and one Screencheck Draft round of review for each document.

Prepare Final Documents. The City expects the Consultants to prepare final versions of the Objective Standards and Zoning Consistency Updates based on feedback on the draft documents from decision-makers, stakeholders, and community members. The final documents will be presented to the Planning Commission and City Council for final consideration.

Our Approach

Based on our understanding of the City's expectations for the Objective Standards and Zoning Ordinance Updates, we identified six themes for our approach to the Project.

Collaborate with Staff. Close collaboration with City staff throughout the project is an essential part of our approach. While we have broad experience with zoning code updates, City staff has detailed working knowledge of Hayward's regulatory structure and development approval process. We will establish a close working relationship and regular communication with City staff throughout the project. We will work with City staff early on to define work responsibilities and communication protocols. We will form an integrated and seamless staff/consultant project team. We could also provide optional staff training opportunities at the beginning of the process to understand the details and mechanics of preparing objective design and development standards and methods for streamlining residential development approvals.

Design and Implement a Robust Community Engagement Program. Throughout the Project, we will facilitate an effective engagement program around three key components: education and information; engagement and interaction; and validation and direction. Education and information include a Project website, project logo/branding, e-blasts, social media posts, press releases, newsletters, and informational handouts. Engagement and interaction include community workshops, online opinion surveys, and study sessions and public hearings. We will focus particular attention on engaging a wide range of community members, including communities that have limited or no access to technology or who are hard to reach and/or do not typically participate in City processes, homeowners, renters, housing advocates, developers, and architects.

Clearly Define Issues and Opportunities. Key to the success of the objective design and development standards is clearly identifying the types of residential development projects that are preferred in the city, projects that did not work, obstacles in the project approval process, and opportunities for improvement. Early in the Project, we will facilitate meetings and conference calls to refine the work scope, thoroughly define and explore issues and opportunities, and prioritize tasks. We will meet with stakeholders selected by City staff to understand the perspectives of the regulated community. We will also facilitate a study session with the City Council and Planning Commission to understand their expectations for future residential development and additional desired outcomes of the project.

Build on Successes. Every planning process requires a solid foundation on which to build. We will identify successful residential design that has worked well for the City. We will research and analyze existing City planning documents to extract design approaches that could be implemented citywide. We will also analyze recent relevant State law and provide a summary of best practices regarding objective standards in similar communities around the Bay Area and beyond.

Create New Ideas. At each step in the process, we will explore new ideas and innovative approaches for establishing objective design and development standards that address design, massing, neighborhood compatibility, parking, setbacks, and/or other topics identified as important by the community, stakeholders, decision-makers, and staff. Additionally, we will explore and present innovative concepts based on our understanding of best practices in residential and mixed-use zoning regulations and our extensive experience working with a wide array of cities throughout California.

Deliver User-Friendly Objective Standards for Residential Development. We prepare user-friendly residential design and development standards in a format that is easily read and understood by residents, permit applicants, City staff, the Planning Commission, and the City Council. While technical and regulatory, there is no need for standards in the Zoning Code to be difficult to use and understand. The content, format, and presentation of the objective standards will provide all users with a clear understanding of the land use regulations and development standards, and expectations for the project approval and permitting processes. We will provide graphic illustrations and consolidated tables, where useful and appropriate. We will eliminate internal inconsistencies and clarify cross-referencing.



5. Scope of Work

Phase 1: Project Management

Throughout the Project, Mintier Harnish will manage communication and coordination between our staff, subconsultants, and City staff, including meetings, phone/Zoom conferences, email exchanges, and other communications to ensure timely delivery of all tasks.

Task 1.1: Kickoff Meeting

Mintier Harnish will facilitate a kick-off meeting with City staff and Consultant team to discuss the project work scope, schedule, budget, and communication protocols. We will clearly identify the roles and responsibilities of key staff and Consultants.

Further, we will identify the core project management team and establish a schedule for recurring bi-weekly check-in zoom/conference calls and any additional meetings. Finally, we will prepare agendas and action minutes for all calls and meetings, and monthly status reports on the Project.

Meetings:

- Project Kickoff meeting with City staff and Consultant Team

Deliverables:

- Standardized file-naming protocols
- E-mail protocols to assure consistency in team communication
- Standardized document format and style guide
- Coordination meeting/call agendas and action minutes
- Data needs list
- Community engagement event preparation guides/checklists
- Monthly Project status reports
- Invoices

Phase 2: Community Engagement Program

The Consultants will develop and finalize a Community Engagement Strategy that we will use to guide engagement throughout the Project. The strategy will describe how the engagement will be structured to ensure residents, businesses, property owners, and other community stakeholders are aware of and engaged throughout the project. This will include not only multiple opportunities to provide input and feedback, but multiple outreach techniques to maximize community engagement. While we expect to refine the details of the Engagement Strategy with City staff, our work program and budget estimate includes the following engagement elements:

- Project website
- Project logo and branding
- Newsletters (2)
- Flyers
- E-blasts
- Social media
- Press releases
- Community Opinion survey
- Online engagement
- Community workshop
- Support of community led events
- Stakeholder Interviews
- City Council and Planning Commission Study Sessions (5 total)
- Planning Commission Hearing
- City Council Hearing
- Translation services

As the Community Engagement Strategy is finalized, some of these elements may be substituted for others as the consultant team receives feedback from staff, decision makers, and the community on the most effective ways to reach the diverse Hayward community.

Throughout every phase of the Project, we will facilitate an effective engagement program around three key components: education and information; engagement and interaction; and validation and direction. Education and information includes a Project website, project logo/branding, e-blasts, social media posts, newsletters, and flyers. Engagement and interaction includes opinion surveys and online engagement,

community workshops and events, and stakeholder interviews. Validation and direction includes City Council and Planning Commission Study Sessions, and public hearings. The following is a detailed description of our suggested engagement activities. These are subject to refinement in consultation with City staff.

The following is a detailed description of our suggested engagement activities. These are subject to refinement in consultation with City staff.

Project Website. The Consultants will design, develop, and maintain a Project website. The Consultants will build the website on a user-friendly platform that allows quick and easy updates to the site. In addition to being an important public outreach and information tool, the website will serve as an administrative record of the project. It will include all meeting announcements/materials, draft and final documents, and meeting summaries. Once the site is live, the Consultants will prepare email blasts, use City social media accounts, and other outreach methods to drive traffic to the site.

Project Logo and Branding. The Consultants will work with City staff to develop an overall brand for the Project. This will be carried through all materials, the Project website, and presentations to build enthusiasm and ensure that this effort is distinct in the minds of the public and other stakeholders. As part of this effort, we will prepare three branding options for the City's consideration.

Newsletters. The Consultants will prepare two newsletters at key points in the Project. The newsletters will serve as Project-specific marketing and educational materials for City staff outreach efforts. The newsletters will provide a project status report, summarize a key topic or subject, and promote upcoming community engagement events and online activities. The newsletters will be highly graphical, attractive, easy to read, and typically four pages long. We will provide them to City staff for distribution at the Planning front counter, in City buildings, other public facilities, and events.

Newsletter #1 will introduce the Project, direct readers to the Project website, and will announce the Community Workshop. Newsletter #2 will present the

Vision Statement, summarize the Zoning Consistency Recommendations Memo and Objective Standards Technical Report, and announce the release of the Draft Objective Residential Standards and Draft Zoning Consistency Updates.

Flyers. The Consultants will prepare promotional flyers in conjunction with all workshops and events. The flyers will serve as easy-to-read handouts suitable for posting in City offices and other public buildings, community bulletin boards, and in store windows. Mintier Harnish will also provide digital copies of the flyer in sizes appropriate for posting on social media and other online platforms.

E-blasts, Social Media, Press Releases. The Consultants will prepare periodic e-blasts and/or social media posts at key points in the Project to inform the public about engagement opportunities, upcoming meetings and events, and availability of new documents. We will coordinate all public information through City staff.

Community Opinion Survey. The Consultants will work with the City to craft, distribute, and tabulate a Community Opinion Survey. The Community Opinion Survey will be a critical tool to understanding the community wants, needs, and concerns regarding residential objective standards in Hayward. We will conduct the survey as a part of the online engagement program. We will publicize the survey through the Project and City websites, eblasts, social media, and announcements at City Council and Planning Commission meetings.

Online Engagement. The Consultants will develop and use online engagement platforms, linked from the project website, to collect input from the community. We will regularly update the online engagement tools with new questions, surveys, opinion polls, and geographic mapping tools. The following are typical uses of this engagement, and other ideas will be generated in response to input received, making the input for Hayward uniquely tailored to capture community attitudes on design-related issues. These online activities can also mirror concurrent in-person engagement done at the community workshop for those community members who were not able to attend in person.

Visit <http://pleasanthill2040.com/engage.html> to view an example of how we have incorporated public engagement activities on a General Plan Update page.

Community Workshop. The Consultants will facilitate the Community Workshop interested community members. This workshop will serve to provide a common understanding of the need for and purpose of the Project, the key steps in the process, community engagement opportunities, new State requirements, and contemporary planning issues. Mintier Harnish will also facilitate an open dialog to gain input on the community's expectations for the Objective Standards Update and design in Hayward. We will also conduct a visioning exercise that will serve as one of the tools informing the Draft Vision Statement.

Partner with Community Organizations. In order to effectively connect with the broadest range of community members, the Consultants will work with City staff to identify and collaborate with existing community groups and organizations for direct community member engagement. We will inform and educate group and organization staff about the project, document content, and our feedback objectives and provide them with engagement materials. We will continue to work with the organizations to inform and educate community members and explore options for maximizing community input and direction throughout the remainder of the Project.

Stakeholder Interviews. The Consultants will conduct eight one-on-one and group interviews via Zoom or conference call with local housing developers, architects, housing advocates, and others, to gain an understanding of the ideas and expectations of housing and subsequent development regulations in the city. We will summarize the results of the interviews in a memorandum.

City Council and Planning Commission Study Sessions. The Consultants will facilitate five Study Sessions with the City Council and Planning Commission. At each Study Session, the Consultants will provide an update of the Project status, present specific topical information, and solicit direction

and feedback from the Council and Commission. The study sessions will be an opportunity to review community input received and discuss the Project Vision Statement, discuss the Zoning Consistency Recommendations Memo and Objective Standards Technical Report, as well as review the Administrative Draft Residential Objective Standards and Zoning Consistency Update.

Planning Commission Hearing. The Consultants and City staff will facilitate a public hearing with the Planning Commission to review the Final Zoning Updates for Zoning/General Plan Consistency and Final Residential Objective Standards. The Planning Commission will consider all public comments and, at the conclusion of the hearings, make recommendations to the City Council regarding the Final Objective Standards and Zoning Consistency Updates.

City Council Hearing. The Consultants and City staff will facilitate a public hearing with the City Council to review the Final Zoning Updates for Zoning/General Plan Consistency and Draft Residential Objective Standards. At this meeting, the City Council will consider the Planning Commission's recommendations and all public comments. At the conclusion of the hearings, the City Council will adopt the Final Zoning Updates for Zoning/General Plan Consistency and Final Residential Objective Standards with any desired changes.

Translation Services. Our team has included a preliminary budget for translation services in the Direct Services line item in our budget. As requested in Addendum #1 to this RFP, we have assumed responsibility for providing verbal translation services available at the community workshop, as an option for any stakeholder interview participants. During the kick-off meeting in Task 1, we will discuss City staff expectations for further translation services. There are two basic types of translation services: written and verbal. All Update documents can be translated; however, we typically limit written translation to eblasts, newsletters, opinion surveys, open house materials, and other community engagement-related documents. The Project Website would be available in other languages as well. All other project documents (e.g., Zoning Consistency

Recommendations Memo) can be translated, but can represent a significant expense. Translation services can be provided in multiple languages, as necessary.

COVID-19 and Community Engagement

Due to the ongoing COVID-19 pandemic, we do realize that the extent of community engagement and participation in public meetings, workshops, and community events is still unknown. Our team is flexible in our approach to collaborate with the City on the facilitation of these public events. We are currently working on several projects that have temporarily transitioned to Zoom or Go-To-Meeting virtual platforms for public meetings and that have been quite successful, particularly with stakeholder interviews. Using virtual platforms over time can also save on travel time and cost. We have also reimaged how to solicit community feedback and have transitioned several large outreach events to completely virtual events. These have included interactive online exercises, educational and informational videos, live webinars with Q&A sessions, and visual preference surveys.

As requested in the RFP, we have included separate cost estimates for virtual and in person attendance for each meeting. We will work with City staff to finalize our approach to facilitating community outreach, Study Session, and Public Hearings, and are dedicated to ensuring an inclusive process for all.

Deliverables:

- Community Engagement Program
- Project logo, website materials
- Project Newsletters (2)
- Community Opinion Survey (hardcopy/digital)
- Stakeholder Interview Summary Memo (Word/PDF)
- Online engagement tools such as surveys, polls, and mapping exercises, as planned in the final Community Engagement Program.
- PowerPoint presentations, as needed
- Meeting notes

Phase 3: Vision and Background Research

Task 3.1: General Plan/Zoning Discrepancy Memo

The Consultants will conduct background research to gain an understanding of community priorities, the City's current residential development standards, design guidelines, and existing General Plan and Zoning discrepancies for single family zoned parcels in Hayward. We will identify single family zoned parcels that have underlying General Plan designations that allow or required higher densities and will summarize our findings in a General Plan/Zoning Discrepancy Memo. The Memo will also include analysis of the implications of SB 9 and any other recent State legislation on these parcels, and specifically whether this recent legislation eliminates any of the existing discrepancies in allowable density.

Task 3.2: Vision Statement

The Consultants will develop a Vision Statement for the Residential Objective Standards portion of the Project that fine tunes the project's goals and objectives, as identified through initial outreach to decision makers, stakeholders, community members, and City staff. The Vision Statement will be designed as a one-to-two-page graphic handout that is both attractive and user-friendly.

Task 3.3: Residential Objective Standards Background Report

The Consultants will produce a Residential Objective Standards Background Report summarizing recent legislation, including SB 35, SB 330, SB 8, and SB 9, that restrict the City's ability to deny projects that meet adopted objective standards. We will also analyze the City's Zoning Ordinance, Off-Street Parking Regulations, Mission Boulevard Corridor Code, Downtown Development Code, Design Guidelines, Hillside Design and Urban/Wildland Interface Guidelines, and various Neighborhood Plans to summarize the objective standards for residential development that are already in place and where changes or additions may be appropriate. Finally, we will identify best practices regarding objective standards in similar communities around the Bay Area and beyond.

Meetings:

- Community Workshop #1: Attendance and facilitation
- Community Event #2: Stakeholder Interviews: Attendance and facilitation
- Study Session #1: Attendance and facilitation of a Joint Planning Commission/City Council Study Session on community input and the Project Vision

Deliverables:

- General Plan/Zoning Discrepancy Memo (Word/PDF)
- Vision Statement (Word/PDF)
- Residential Objective Standards Background Report (Word/PDF)
- PowerPoint presentations, as needed
- Meeting notes

Phase 4: Parking Analysis

The Consultants will conduct an analysis of the City's current residential parking standards and the potential economic impacts of altering requirements, particularly in the area governed by the Mission Boulevard Corridor Code, which has no minimum parking standard of altering requirements, particularly in the area governed by the Mission Boulevard Corridor Code, which has no minimum parking standard.

Deliverable:

- Parking Analysis (Word/PDF)

Phase 5: Technical Report with Options and Recommendations

Task 5.1: Zoning Consistency Recommendations Memo

The Consultants will prepare a Zoning Consistency Recommendations Memo that introduces different approaches to bringing the City's single family zoned properties into compliance with their underlying General Plan land use designations. This may include a rezoning of these properties, creation of one or more zoning overlays, or other strategies. We will

then analyze each site and state which, if any, of the proposed approaches would require environmental analysis.

Task 5.2: Objective Standards Technical Report

The Consultants will prepare an Objective Standards Technical Report that introduces various options for objective standards for residential development that the City may want to adopt. We will analyze tradeoffs in selecting different options, including the potential impacts to different stakeholders and community members, the feasibility and/or potential economic impacts, and impacts to overall design aesthetic and diversity. To help demonstrate the tradeoffs of different options, we will include a Prototype Analysis that illustrates how changes in key development standards (such as parking, massing, setbacks, and articulation) would result in different building prototypes for three residentially zoned sites in the city. As stated in the RFP, we assume the City will work with our team to select sites for the Prototype Analysis.

Meetings:

- Study Session #2: Attendance and facilitation of a Planning Commission Study Session on the Zoning Consistency Recommendations Memo and the Objective Standards Technical Report
- Study Session #3: Attendance and facilitation of a City Council Study Session on the Zoning Consistency Recommendations Memo and the Objective Standards Technical Report

Deliverables:

- Zoning Consistency Recommendations Memo
- Objective Standards Technical Report
- PowerPoint presentations, as needed
- Meeting Notes

Phase 6: Draft Objective Residential Standards and Zoning Consistency Updates

Based on feedback received on the Zoning Consistency Recommendations Memo and Objective Standards Technical Report from decision makers,

stakeholders, and the community, the Consultants will develop the Draft Objective Residential Standards Update and the Draft Zoning Consistency Update. Within each document, we will indicate the specific location where the proposed changes will occur in the City's adopted Ordinances, Codes, and Plans. The Draft Objective Residential Standards shall further include high quality graphics and diagrams to clearly illustrate standards, as necessary. For each of the two documents, we will prepare an Administrative Draft for review by City staff. Following a period for staff review, we will revise the document and produce a Public Review Draft of each document as outlined in Phase 8.

Meetings:

- Study Session #4: Attendance and facilitation of a Planning Commission Study Session on the Administrative Draft Objective Residential Standards and the Administrative Draft Zoning Consistency Update
- Study Session #5: Attendance and facilitation of a City Council Study Session on the Administrative Draft Objective Residential Standards and the Administrative Draft Zoning Consistency Update

Deliverables:

- Administrative Draft Zoning Updates for Zoning/General Plan Consistency (Word/PDF)
- Administrative Draft Objective Residential Standards (Word/PDF)
- PowerPoint presentations, as needed
- Meeting Notes

Phase 7: Environmental Review

If required, the Consultants will conduct an environmental review of the Public Review Draft Objective Residential Standards and Public Review Draft Zoning Consistency Update consistent with the requirements of CEQA. The City certified the Environmental Impact Report for the 2040 General Plan in July 2014. Based on our understanding of the probable contents of the Draft Zoning Updates and Objective Residential Standards, the Code is

likely to be consistent with the 2040 General Plan FEIR. We will make this determination in consultation with City staff and the City Attorney. If necessary, we will prepare an initial draft and final technical memorandum supporting a finding of consistency of the Public Review Draft Objective Residential Standards and Public Review Draft Zoning Consistency Update with the 2040 General Plan FEIR or an Addendum to the 2040 General Plan EIR.

Deliverables:

- Environmental studies, as necessary
- Initial Study, as necessary
- Draft and Final Addendum to General Plan EIR, as necessary (Word/PDF)

Phase 8: Final Documents

Based on feedback on the draft documents from decision-makers, stakeholders, and community members, the Consultants will prepare final versions of the Objective Standards and Zoning Consistency Updates for final consideration by the Planning Commission and City Council.

Meetings:

- Public Hearings (2): Attendance and facilitation of a Planning Commission and a City Council Hearing

Deliverables:

- Public Review Draft Zoning Updates for Zoning/General Plan Consistency (Word/PDF)
- Public Review Draft Objective Residential Standards (Word/PDF)
- Final Zoning Updates for Zoning/General Plan Consistency (Word/PDF)
- Final Residential Objective Standards (Word/PDF)
- PowerPoint presentations, as needed

6. Schedule of Charges

We have included our proposed schedule of charges for labor and expenses for the Objective Standards and Zoning Consistency Updates below. Within this schedule of charges, we have identified labor rates for the specific professional staff assigned to work on this Project. As stated in the RFP, we understand that the proposed schedule of charges is subject to negotiation prior to contract execution.

Staff Member	Billing Rate	Assigned Hours
Jim Harnish, Project Advisor	\$250/hour	108
Brent Gibbons, Project Director	\$200/hour	100
Jordan Cowell, Project Manager	\$185/hour	260
Ryan Lester, Associate Planner	\$170/hour	252
Michael Gibbons, Associate Planner	\$170/hour	80
Admin./Support	\$115/hour	46
Direct Expenses	\$7,700 total	-
Martha Miller, Zoning Advisor	\$200/hour	102
Jim Damkowitch, Parking Analysis Lead	\$275/hour	24
Carney/Loginova, Transportation Planners	\$150/hour	80

7. Budget

We have included our budget for the Objective Standards and Zoning Consistency Updates on the following page. The budget is organized by the tasks listed in the Scope of Work, hourly rates, and team member. The proposed budget is submitted on a “not to exceed” basis. The budget also includes direct expenses such as travel, printing, and translation services.

Our budget reflects the additional \$50,000 added to the project total as a part of the December 2, 2021, Addendum #2. We included the parking study as a budgeted task, not an optional task. We have also included \$30,000 as contingency for unanticipated work. We believe our original cost estimate was sufficient to cover the work scope described in the Request for Proposals. City staff may want to allocate contingency to expanded community engagement or retain it for unanticipated additional work tasks. If selected to the project, we will discuss these options further with City staff at the project kick-off meeting.

HAYWARD OBJECTIVE STANDARDS FOR RESIDENTIAL DEVELOPMENT AND ZONING CONSISTENCY UPDATES	MINTIER HARNISH								MILLER PLANNING ASSOCIATES			DKS				TOTAL COSTS
	HARNISH Project Advisor	B. GIBBONS Project Director	COWELL Project Manager	LESTER Associate Planner	M. GIBBONS Associate Planner	ADMIN/SUP PORT	SUBTOTAL HOURS	SUBTOTAL COSTS	MILLER Principal/Zoning Advisor	SUBTOTAL HOURS	SUBTOTAL COSTS	DAMKOWITZ Task Lead	CARNEY/ LOGINOVA Transportation Planner	SUBTOTAL HOURS	SUBTOTAL COSTS	
TASKS																
Phase 1: Project Management																
Task 1.1: Kickoff Meeting	8	8	10				26	\$5,450	2	2	\$400			0	\$0	\$5,850
Task 1.2: Project Management	8	10	36			46	100	\$15,950	6	6	\$1,200			0	\$0	\$17,150
Subtotal	16	18	46	0	0	46	126	\$21,400	8	8	\$1,600	0	0	0	\$0	\$23,000
Phase 2: Community Engagement Program																
Task 2.1: Community Engagement Program (see line items below)							0	\$0		0	\$0			0	\$0	\$0
Community Engagement Program	2	2	6	10			20	\$3,710		0	\$0			0	\$0	\$3,710
Project logo, website, and business cards	2	2	8	16			28	\$5,100		0	\$0			0	\$0	\$5,100
Project Newsletters (2)	2	2	6	16			26	\$4,730		0	\$0			0	\$0	\$4,730
Community Opinion Survey (hardcopy/digital)	2		6	8			16	\$2,970		0	\$0			0	\$0	\$2,970
Stakeholder Interview Summary Memo	2		2	12			16	\$2,910		0	\$0			0	\$0	\$2,910
Online engagement tools such as surveys, polls, and mapping exercises,		2	6	10			18	\$3,210		0	\$0			0	\$0	\$3,210
Subtotal	10	8	34	72	0	0	124	\$22,630	0	0	\$0	0	0	0	\$0	\$22,630
Phase 3: Vision and Background Research																
Task 3.1: General Plan/Zoning Discrepancy Memo	4	4	8		36		52	\$9,400	6	6	\$1,200			0	\$0	\$10,600
Task 3.2: Vision Statement	2	4	8				14	\$2,780	4	4	\$800			0	\$0	\$3,580
Task 3.3: Residential Objective Standards Background Report	6	4	10	40			60	\$10,950	8	8	\$1,600			0	\$0	\$12,550
Community Workshop #1: Attendance and facilitation	8	6	14	24			52	\$9,870		0	\$0			0	\$0	\$9,870
Community Event #2: Stakeholder Interviews:			10	12			22	\$3,890		0	\$0			0	\$0	\$3,890
Study Session #1: Joint PC/CC on Community Input and Project Vision		6	10	4			20	\$3,730		0	\$0			0	\$0	\$3,730
Subtotal	20	24	60	80	36	0	220	\$40,620	18	18	\$3,600	0	0	0	\$0	\$44,220
Phase 4: Parking Analysis																
Task 4.1: Parking Analysis/Study	4	8	8				20	\$4,080		0	\$0	24	80	104	\$18,600	\$22,680
Subtotal	4	8	8	0	0	0	20	\$4,080	0	0	\$0	24	80	104	\$18,600	\$22,680
Phase 5: Technical Report with Options and Recommendations																
Task 5.1: Zoning Consistency Recommendations Memo	2	12			24		38	\$6,980	48	48	\$9,600			0	\$0	\$16,580
Task 5.2: Objective Standards Technical Report	2	4	12	24			42	\$7,600		0	\$0			0	\$0	\$7,600
Study Session #2: PC on Zoning Consistency Memo and ODDS Technical Report		6	10	4			20	\$3,730		0	\$0			0	\$0	\$3,730
Study Session #3: CC on Zoning Consistency Memo and ODDS Technical Report		6	10	4			20	\$3,730		0	\$0			0	\$0	\$3,730
Subtotal	4	28	32	32	24	0	120	\$22,040	48	48	\$9,600	0	0	0	\$0	\$31,640
Phase 6: Draft Objective Residential Standards and Zoning Consistency Updates																
Task 6.1: Draft Objective Residential Standards and Zoning Consistency Updates							0	\$0		0	\$0			0	\$0	\$0
Administrative Draft Zoning Updates for Zoning/General Plan Consistency	2	4			16		22	\$4,020	16	16	\$3,200			0	\$0	\$7,220
Administrative Draft Objective Residential Standards	4		36	40			80	\$14,460	10	10	\$2,000			0	\$0	\$16,460
Public Review Draft Zoning Updates for Zoning/General Plan Consistency	2	2			4		8	\$1,580	2	2	\$400			0	\$0	\$1,980
Public Review Draft Objective Residential Standards	2		8	16			26	\$4,700		0	\$0			0	\$0	\$4,700
Study Session #4: PC on Admin Draft ODDS and Zoning Consistency Update		6	10	2			18	\$3,390		0	\$0			0	\$0	\$3,390
Study Session #5: CC on Admin Draft ODDS and Zoning Consistency Update		6	10	2			18	\$3,390		0	\$0			0	\$0	\$3,390
Subtotal	10	18	64	60	20	0	172	\$31,540	28	28	\$5,600	0	0	0	\$0	\$37,140
Phase 7: Environmental Review																
Task 7.1: Environmental Review	24	4					28	\$6,800		0	\$0			0	\$0	\$6,800
Subtotal	24	4	0	0	0	0	28	\$6,800	0	0	\$0	0	0	0	\$0	\$6,800
Phase 8: Final Documents																
Task 8.1: Final Documents							0	\$0		0	\$0			0	\$0	\$0
Final Zoning Updates for Zoning/General Plan Consistency	2		2	4			8	\$1,550		0	\$0			0	\$0	\$1,550
Final Residential Objective Standards	2		2	4			8	\$1,550		0	\$0			0	\$0	\$1,550
Planning Commission Hearing	8		10				18	\$3,850		0	\$0			0	\$0	\$3,850
City Council Hearing	8		10				18	\$3,850		0	\$0			0	\$0	\$3,850
Subtotal	20	0	24	8	0	0	52	\$10,800	0	0	\$0	0	0	0	\$0	\$10,800
TOTAL																
Total Hours	108	108	268	252	80	46	862	-	102	102	-	24	80	104	-	-
2021 Billing Rates (subject to change every January 1st)	\$250	\$200	\$185	\$170	\$170	\$115	-	-	\$200	-	-	\$275	\$150	-	-	-
Labor Subtotals	\$27,000	\$21,600	\$49,580	\$42,840	\$13,600	\$5,290	-	\$159,910	\$20,400	-	\$20,400	\$6,600	\$12,000	-	\$18,600	\$198,910
Direct Expenses (e.g., translation services, printing, travel, online engagement fee)								\$5,000			\$1,000				\$1,000	\$6,000
TOTAL COST W/O CONTINGENCY								\$164,910			\$21,400				\$19,600	\$204,910
CONTINGENCY																\$30,000
TOTAL COST W/CONTINGENCY																\$234,910

1) This represents a total cost based on the provided scope of work.

2) The distribution of hours between firms, staff categories, and tasks are an estimate. While the total costs will not change, the distribution of hours/costs may vary depending on actual execution.

Appendix A: Detailed Resumes

We have included our detailed resumes on the following pages.



JIM HARNISH, JD

PRINCIPAL/OWNER

EDUCATION

Juris Doctor
McGeorge School of Law,
University of the Pacific

Bachelor of Arts, History
University of California, Davis

CERTIFICATIONS/ AFFILIATIONS

California State Bar Association
(Bar No. 99326)

American Planning Association

EXPERIENCE

Mintier Harnish
Principal/Owner

City of South San Francisco
Chief Planner

Sugnet & Associates
Vice President

City of Folsom
Community Development Director

City of Sacramento
Environmental Coordinator

Balfrey & Abbott
Attorney

Mintier Harnish & Associates
Partner

Sacramento Area Council of Governments
Planner

County of Sacramento
Planner

PROJECTS

General plans for over 25 cities and
counties throughout California

Environmental impact reports for over
100 general plans and other projects

Zoning and subdivision ordinance
revisions for 10 cities and counties

Jim Harnish is the Principal/Owner of Mintier Harnish. He has been a planner and project manager since 1970. He is also an attorney with extensive experience in land use and CEQA. He has managed public agencies and private consulting firms. He specializes in project management for general plans, specific plans, and large private planning projects; CEQA compliance and environmental document peer review; zoning and regulatory ordinance preparation; and public outreach and consensus-building.

Jim is currently Project Director on general plan updates for the cities of American Canyon, Livingston, Los Gatos, Millbrae, Rohnert Park, and the counties of Fresno, Kern, and Ventura, and zoning code updates for the cities of Folsom, Gilroy, and Santa Clara, and the counties of Fresno, Madera, Mariposa, Merced, and Sierra.

Jim's broad experience, in both the public and private sector, in land use planning, regulatory codes and ordinances, permit processing, environmental analysis, toxics and hazardous materials, wetlands and endangered species, and legal analysis enables him to bring a wealth of experience to every project.

Jim has extensive experience in supervising large planning staffs and managing interdisciplinary consultant teams on complex planning projects. Jim has managed or prepared general plans for the cities of Alturas, American Canyon, Folsom, Galt, Gilroy, Hayward, Healdsburg, Isleton, Livingston, Millbrae, Rohnert Park, Sacramento, South San Francisco, Ukiah, Union City, Wheatland, and Windsor, and the counties of Calaveras, Fresno, Kern, Merced, Modoc, San Benito, San Joaquin, and Ventura.

He has managed the preparation of specific plans for Southwest Live Oak, the Mountain House New Town in San Joaquin County, and the Gold Rush Ranch in Sutter Creek. He also assisted Genentech with the preparation and approval of its South San Francisco Campus Master Plan and EIR. Jim has also prepared zoning ordinance updates for several jurisdictions, including, Kern, Merced, and San Joaquin Counties and the cities of Santa Rosa, and South San Francisco.

Jim has been principal-in-charge of several regional planning projects in the San Joaquin Valley, including the San Joaquin Valley Blueprint implementation project, which included the Valley Planners Toolkit. He also managed the Metro Rural Loop Study for the Fresno Council of Governments and the San Joaquin Valley Greenprint II program.

Jim has managed the preparation of or conducted critical third party review of numerous EIRs and negative declarations. As Environmental Coordinator for the City of Sacramento, he led the restructuring of the City's environmental review procedures. He has worked extensively with State and Federal regulatory agencies in creating and negotiating Habitat Conservation Plans (Coalinga), 404 permits, and wetland mitigation plans.



BRENT GIBBONS, AICP

SENIOR PROJECT MANAGER

EDUCATION

**Bachelor of Science,
City and Regional Planning**
Cal Poly, San Luis Obispo

CERTIFICATIONS/ AFFILIATIONS

American Institute of Certified Planners

American Planning Association,
Sacramento Valley Section

enCode user Certification

EXPERIENCE

Mintier Harnish
Senior Project Manager, Project
Manager, Associate

City of Turlock
Assistant Planner

Madera County
Planner II

San Mateo County Housing Authority
Housing and Community
Development (HCD) Intern

Hathaway Dinwiddie, Santa Clara
Project Engineer Intern

PROJECTS

General plans for the City of Gilroy,
the Town Los Gatos, the Town of
Windsor, and the Counties of Fresno,
Sierra County, and Ventura

SB244: Disadvantaged Communities
Report for Merced County

Zoning Ordinance updates for the
Counties of Fresno, Merced, and Sierra,
the Cities of Folsom, Gilroy and Santa
Clara, and the Placer County Sunset Area
Plan Implementing Zoning Regulations

Objective Design and Development
Standards for the Cities of Folsom, Gilroy,
South Lake Tahoe, and Ukiah, the town
of Windsor, and the county of Mariposa

Town of Windsor Housing Element Update

Brent Gibbons has been a planner in both the public and private sectors since 2013. He specializes in architectural applications, urban design, site design, land use planning, public policy, geographic information systems, regulatory code and ordinances, CEQA analysis, and community engagement.

Brent started his professional career as a Planner I with Madera County, which included the review of project plans with the zoning administrator, operating the front planning counter, and regularly evaluating setback variances and zoning permits. Brent was promoted to Planner II after a year, and managed projects with greater responsibility. His overall experience at Madera County included the intake of permits, zoning ordinance development, presentations to the Planning Commission, formation of community/area plans, and serving as the lead on solar facility and wireless tower projects. Brent also had the opportunity to serve on several committees pertaining to the drought and well water demand, as well as community park planning and design in conjunction with public health agencies. Additionally, Brent worked as an Assistant Planner for the City of Turlock where he conducted project permitting, development of maps, the General Plan Annual Report, and project management. His work included interfacing with a multitude of stakeholders ranging from community members to real estate developers.

Prior experience includes an internship with Hathaway Dinwiddie (Santa Clara office) in 2008 on the Solyndra Project, where Brent served as the onsite contact between the City of Milpitas and the Project Engineer. Tasks delegated included project permitting, editing plans, and construction administration. Brent also interned for the Housing Authority of San Mateo County, where he amended the HOME Affordability Covenant, performed HOME rent reviews for 2004-2009, and evaluated year-end fiscal performance data.

Brent holds a Bachelor's Degree in City and Regional Planning from California Polytechnic State University (Cal Poly), San Luis Obispo. While at Cal Poly San Luis Obispo, Brent served as the Associated Students in Planning (ASP) President, and the American Institute of Architecture Students (AIAS) President, where he sat on a national board that provided student connection to the American Institute of Architects (AIA). He represented Cal Poly at two international student architecture conferences in Minneapolis in 2009 and Toronto, Ontario, in 2010. Brent also was part of the project team that took 1st Place in the Bank of America Low Income Housing Challenge in 2012 for the Alere development.



JORDAN COWELL

PROJECT MANAGER

EDUCATION

Bachelor of Science, City and Regional Planning
Cal Poly, San Luis Obispo

EXPERIENCE

Mintier Harnish
Project Manager, Associate

DAHLIN Group
Project Manager

City of Atascadero
Community Development
Planning Intern

PROJECTS

General Plans:

General Plan Updates for the
Cities of Solvang, San Ramon,
Millbrae, and Trinity County

Objective Design and Development
Standards for the Cities of Gilroy and
Pleasant Hill, and Commercial and Mixed-
Use Design Standards for Eldorado County

Citywide Design Guidelines for the City
of Elk Grove and Residential Design
Requirements for the City of Vacaville

Specific Plans:

Amoruso Ranch Specific Plan,
Roseville; Watson Ranch Specific
Plan, American Canyon; Duarte
Station Specific Plan, Duarte

TOD/Affordable/ Senior Development Projects:

Prynt Mixed-Use, Tamien Station
Redevelopment, SoHay Catalyst
Site, Kottinger Gardens Pleasanton,
The Cannery at Lewis Street Gilroy,
Shorebreeze Apartments Mountain View

Jordan Cowell is Project Manager at Mintier Harnish who specializes in both architecture and planning/urban design. He has experience working with communities, private developers, and public agencies since 2013. He began his professional career as Planner I with DAHLIN Group Architecture & Planning, where he was involved in a wide array of project types ranging from large-scale master plans to urban infill/mixed use projects. During this tenure, Jordan was promoted to Planning Project Manager, where he has provided innovative planning and design expertise to maintain efficiency for every project and valued clients.

With his extensive experience working closely with builder/developers, Jordan is an integral member of the planning team as he is able to ensure plans are feasible and implementable. He applies his detailed knowledge to every project through his familiarity of varying building typologies and densities, pays close attention to the issues related to mass and scale, and has the ability to bridge the gap between the vision and jurisdictional requirements. His municipal planning experience allows him to actively engage in a wide range of roles on the planning team, including fast, yet thorough, zoning code analysis thanks to his intimate understanding of how codes are organized and written.

Jordan's prior experience includes working as a Community Development Intern for the City of Atascadero, where he assisted with front counter assistance, building permit plan checks, code enforcement, preparation of staff reports, presentations and documentation.

Jordan graduated with honors from California Polytechnic State University (Cal Poly), San Luis Obispo, and holds a Bachelor's Degree in City and Regional Planning. While at Cal Poly, Jordan served one term as a Faculty Representative for the Associated Students in Planning (ASP), and attended an Urban Design Summer Program at the Universidade Lusofona de Humanidades e Tecnologias in Lisbon, Portugal. In addition, Jordan assisted in compiling a database for two professors, Michael Boswell and Adrienne Greve, in preparation for their book *Local Climate Action Planning*. Jordan also holds an Associate of Science in Architecture with a concentration in planning from Modesto Junior College.



RYAN LESTER

ASSOCIATE

EDUCATION

Master of Arts, U.S. Social and Cultural History
California State University, Sacramento

Bachelor of Arts, U.S. History
California State University, Sacramento

EXPERIENCE

Mintier Harnish
Associate, Planner, Research Assistant

The League of California Cities
Member Services Representative

PROJECTS

General Plans for the Cities of American Canyon, Folsom, Gilroy, Kerman, Millbrae, Pleasant Hill, Solvang, Ukiah, and Union City, the Towns of Los Gatos, Truckee, and Windsor, and the Counties of Fresno, Kern, and Ventura

6th Cycle Housing Elements for the Cities of Carlsbad, Galt, Pleasant Hill, Shasta Lake, Solvang, and St. Helena, and Del Norte County.

5th Cycle Housing Elements: Research Assistant for several update efforts

Objective Design and Development Standards for the cities of Folsom, Gilroy, Lakeport, Pleasant Hill, Santa Clara, South Lake Tahoe, and Ukiah, and the Town of Windsor

Additional Projects:
SJV REAP Housing Study and Technical Assistance Team, San Joaquin County Greenprint Phase II, SMUD Environmental Sustainability Plan, Sunset Area Plan Update (Placer County)

SOFTWARE/ WEB DESIGN

Adobe Illustrator, InDesign, Photoshop
HTML and CSS
Microsoft Office

Ryan is a planner with an eye for design. A skilled user of industry-standard graphic design software, Ryan specializes in preparing accessible, user-friendly materials that present planning concepts to the public in concise, easy-to-understand, and engaging ways. Ryan applies these skills while crafting existing conditions and trends analyses, housing elements, objective design standards, and land use alternatives analyses for cities and counties throughout the state. For Housing Element efforts, Ryan constructs and implements community engagement programs, facilitates stakeholder interviews and workshops, and completes housing needs and constraints analyses. Further, Ryan develops available sites inventories, AFFH analyses, and, implementation programs that are responsive to both State law and local context.

In eight years with Mintier Harnish, Ryan has worked on over a dozen General Plans and an equal number of housing elements. Among other projects, Ryan is currently writing four 6th-cycle housing elements and is drafting Objective Design and Development Standards for SB 35 compliance for several cities. Additionally, Ryan is working on the SJV REAP Housing Study and is on the Mintier Harnish team providing valleywide REAP-funded housing element technical assistance.

Ryan holds a Master's Degree in U.S. Social and Cultural History from California State University, Sacramento, as well as a Bachelor's Degree in U.S. History from the same institution.



MICHAEL GIBBONS

ASSOCIATE

EDUCATION

**Bachelor of Science in City
and Regional Planning**
Cal Poly, San Luis Obispo

**Associate of Science in Mathematics
with a Concentration in Architecture**
Cuesta College, San Luis Obispo

**California Peace Officer
Standards and Training Certificate**
Napa Valley Police Academy, Napa

AFFILIATIONS

American Planning Association,
Sacramento Valley Section

EXPERIENCE

City of Napa
Police Officer

City of Napa
Assistant Planner

Mintier Harnish
Planner, Intern

City of Hollister
Community Development Intern

City of Gilroy
Community Development Intern

PROJECTS

General Plan Updates for the Cities
of Gilroy, Pleasant Hill, Livingston,
American Canyon, and Los Gatos,
and the County of Kern

Zoning Ordinance Updates for the Cities
of Gilroy, Folsom, Kerman, and Santa Clara,
and the Counties of Madera and Mariposa

Michael is an Associate Planner with Mintier Harnish. He has worked in both the public and private sector, as well as in law enforcement. He has experience in land use planning, zoning regulations, Crime Prevention Through Environmental Design, urban design, architectural applications, historic preservation, real estate development, regulatory code, and public policy.

Michael started his career as the Assistant Planner for the City of Napa, where his technical duties included processing zoning clearances, temporary use permits, sign permits, business licenses, and building permits. He reviewed development proposals and applications for compliance with appropriate regulations and policies, and subsequently made recommendations to the City Council, Planning Commission, and Cultural Heritage Commission.

During his tenure with the City of Napa, Michael decided to serve the community in a different capacity. Working in the community he served and lived in fueled his desire to transition into Law Enforcement, where he became a City of Napa Police Officer. Michael attended the Napa Valley College Criminal Justice Training Center, where he received his California POST Peace Officer Certification. Michael transitioned back into Land Use Planning in 2019.

Michael's prior experience includes working as a Community Development Intern for the City of Gilroy, where he assisted with sign permitting, front counter assistance, and the review of plot plans. He also worked as a Housing and Community Development Intern for the City of Hollister, where he performed site and architectural review, the processing of user permits and variances, CEQA document review, and minor subdivision review. Additionally, Michael worked as an Intern for Mintier Harnish, where he performed a variety of planning and office support tasks.

Michael graduated with honors from California Polytechnic State University (Cal Poly), San Luis Obispo, and holds a Bachelor's Degree in City and Regional Planning. While at Cal Poly, Michael minored in both Real Estate Development and Sustainable Environments, and served two terms as the Associated Students in Planning (ASP) President. Michael also holds an Associate of Science in Mathematics with a concentration in Architecture from Cuesta College in San Luis Obispo.



Martha Miller, AICP

Principal and Owner, Miller Planning Associates

Martha is a skilled land use planner and project manager specializing in community planning, development regulations, and community engagement. With 20 years of experience working in private firms and for public agencies, Martha brings an in-depth understanding of how to translate community vision into a usable set of plans, policies, and regulations that achieve results. Martha's approach is marked by carefully assessing each client's needs and resources, and bringing best practices from form-based, performance-based, and Euclidean applications.

Education

Master of City and Regional Planning
California Polytechnic University, San Luis Obispo

Bachelor of Science in Industrial Engineering
Purdue University

Certifications & Affiliations

American Institute of Certified Planners

American Planning Association (APA), California Central Coast San Luis Obispo Subsection
Director (2015 - 2017)

Cal Poly City and Regional Planning Advisory Council (CiRPAC), *Chair*

Awards

2017 APA Sacramento Valley Section Award of Excellence, *Placer County Tahoe Basin Area Plan*

2014 APA Los Angeles Section Award of Excellence and 2014 Southern California Association of Governments Sustainability Award, *San Gabriel "Greening the Code"*

Relevant Project Experience

- El Monte Comprehensive Zoning Ordinance and Citywide Design Guidelines Update
- Goleta New Zoning Ordinance and Coastal Implementation Plan
- Hayward Industrial District Regulations Update
- Morro Bay Comprehensive Zoning Code and Coastal Implementation Plan Update
- Newark Comprehensive Zoning Ordinance Update
- Vacaville Land Use and Development Code Audit and Update (CodeUP)
- West Sacramento Zoning Ordinance Modernization Project (ZOMPI)
- Santa Barbara New Zoning Ordinance
- Norma Triangle (West Hollywood) Neighborhood Overlay District and Design Guidelines
- Fresno Development Code Update
- Honolulu Transit Oriented Development Land Use Ordinance Amendments
- Tahoe Region Local Planning Implementation
- Town of Mammoth Lakes Commercial Districts Development Standards
- Placer County Area Plan and Implementing Ordinance
- Porterville Development Code Update
- Princeton (San Mateo County) General Plan, Zoning, and Local Coastal Plan Update (Plan Princeton)
- San Carlos Zoning Ordinance Update
- San Gabriel "Greening the Code" Zoning Amendments
- South San Francisco Zoning Ordinance Update

Professional Experience

Miller Planning Associates, 2019-Present

Principal and Owner of planning firm specializing in community planning, development regulations, and community engagement.

Lisa Wise Consulting, Inc, 2017-2019

Director responsible for project management of development code and planning projects, as well as staff, office, and business management.

RRM Design Group, 2015-2017

Principal Planner providing business development, preparation, and project management for zoning and development code projects. Individual project responsibilities include providing overall project direction, conducting technical analysis, preparing recommendations, crafting regulations, and leading workshops.

Dyett & Bhatia, Urban & Regional Planners, 2008-2015

Principal in charge of zoning responsible for project management of General Plan, Zoning, and Local Coastal Program updates.

Department of Planning and Building San Luis Obispo, 2000-2003 and 2004-2008

Senior Planner responsible for preparing and/or updating community plans, coastal planning, policies, zoning regulations, ordinances, and design guidelines; processing land use permit and land division applications; performing CEQA compliance including management of Environmental Impact Reports and preparation of Mitigated Negative Declarations.

Sapphos Environmental, Urban Planner/Environmental Analyst, 2003-2004

Urban Planner/Environmental Analyst responsible for managing planning projects; assisting counties, cities, and special districts with comprehensive planning efforts and environmental compliance; and preparing environmental compliance documents including Environmental Impact Reports and Negative Declarations.

Speaking Engagements

Co-Instructor, CRP 430 Professional Planning Practice, Cal Poly, San Luis Obispo, 2017, 2018, 2019

Updating Your Zoning Code: Overcoming Challenges, 2019 American Planning Association California State Conference

From Here to There: The Future of Mobility, 2017 American Planning Association Central Coast Section

Barn Raising in the Burbs: Novel Strategies for Growing Food and Cultivating Community Through Urban Farming, 2016 American Planning Association California Chapter State Conference

Supporting Urban Agriculture in Your Community, 2014 American Planning Association California State Conference

A New Paradigm for Keeping Tahoe Blue, 2013 American Planning Association California State Conference



Education: MS, Geography,
University of California, Santa
Barbara, CA

BA, Geography (Honors),
University of California, Santa
Barbara, CA

Presentations: Travel
Behavior Responses to
Increased Highway Capacity.
California Air Pollution Control
Officers Association - Air
Quality Planning Symposium

Improving the Transportation
Conformity Process. California
Air Pollution Control Officers
Association - Air Quality
Planning Symposium

Old Car Buyback: Merits and
Funding Issues. California Air
Pollution Control Officers
Association - Air Quality
Planning Symposium

Impacts of Employer-Based
TDM Strategies on GHG
Emissions: A Case Study for
San Joaquin County,
California. ITE Western
District 2011 Annual Meeting

Analysis of Multi-Modal and
GHG Reduction Strategies on
Interregional Traffic in the I-
580 Corridor. ITE Western
District 2012 Annual Meeting

Visual Simulation of Cut-
Through Traffic in the City of
Goleta. ITE Western District
2012 Annual Meeting

JIM DAMKOWITCH

Jim has 30 years of experience in regional multimodal transportation planning, congestion management, multidisciplinary corridor studies, safety studies, transit studies, active transportation studies, operational analyses, transportation and air quality modeling, and performance measure applications. He has managed regional transportation plan/sustainable community strategy updates and general plan circulation element updates; operational traffic studies for state highway infrastructure improvement projects (PSR/PA-ED Phases); corridor studies; active transportation studies; traffic impact fee programs; travel demand modeling; air quality modeling; and, transportation operational studies for a variety of clients including Caltrans, MPOs, and various cities and counties in California. He has served on state and regional planning committees and conference panels for transportation air quality conformity, performance measurement, and SB 743, respectively.

Relevant Project Experience

Circulation Elements/Regional Plans

- Ventura County General Plan Update (2016–Current)
- Fresno County General Plan EIR Baseline Update (2016–2017)
- San Joaquin County CA General Plan Update & EIR (2008–15)
- City of San Luis Obispo General Plan Update (2012–2014)
- City of Goleta General Plan (2006)
- MCAG 2018 RTP/SCS
- StanCOG 2018 RTP/SCS & EIR
- SJCOG 2018 RTP/SCS Technical Support
- SJCOG 2018 RTP/SCS EIR
- Calaveras COG RTP Update (2017)
- Del Norte County Local Transportation Authority RTP Update (2016)
- California Rural Counties Task Force: Performance Monitoring Indicators for Rural and Small Urban Transportation Planning (2015)
- CA Strategic Growth Council, 2014 MPO SCS Self-Assessment
- SJCOG 2014 RTP/SCS & EIR Technical Support
- StanCOG 2014 RTP/SCS & EIR

Travel Demand Modeling / SB 743 Studies

- City of Goleta SB 743 VMT Threshold Study & Sketch Planning Tool (2020)
- City of Santa Maria SB 743 VMT Threshold Study & Sketch Planning Tool (2020)
- El Dorado County 743 VMT Threshold Study Peer Review (2020)
- City of Fairfield SB 743 VMT Threshold Study (2020)
- Ventura County General Plan EIR SB 743 VMT Threshold Analysis (2020)
- Caltrans District 5 Modeling On-Call (Contract #05A1141; 2007–2012)
- Caltrans D-1 Del Norte County Travel Demand Model Development (2013)
- TRPA/TMPO Travel Model Update Validation Peer Review (2016)
- El Dorado County Travel Model Update Peer Review (2016)
- City of Goleta Travel Demand Model Update (2017)
- TRPA/TMPO Interregional Trip Estimation Peer Review (2018)

Corridor Studies

- MCAG, Atwater-Merced Expressway (SR 59 Bypass) PA-ED/PS&E (2010)

San Joaquin Valley Fall Policy Conference (2013): Moderator for the "Innovations in Transit and Travel".

San Joaquin Valley Fall Policy Conference (2014): Panelist: "Navigating SB 375: CEQA Streamlining and SB 743 Transportation Analysis"

Association of Environmental Professionals (AEP) 2015 State Conference: Panelist: SB 743 Practicum: Policy, Practical Tools, Tips, and Techniques for Implementing SB 743 CEQA Guidance

Application of Caltrans Smart Mobility Framework for the US 101 Corridor Mobility Master Plan in San Luis Obispo County. ITE Western District 2015 Annual Meeting

Development of Performance Measures for Rural Counties in California. National Transportation Research Board 2017 Annual Meeting

SR 68 Scenic Highway Plan in Monterey County. ITE Western District 2019 Annual Meeting

Sustainable Community Strategy Implementation: Fact or Fiction? Panel Discussion. 2019 American Planning Association California Annual Conference

SB 743 Where is the safety? Panel Discussion. 2019 American Planning Association California Annual Conference

Years of experience: 30

- SR 88 Bypass PSR Traffic Analysis (San Joaquin County 2010)
- I-580 Interregional Multimodal Corridor Study (MTC/SJCOG 2011)
- US 101 HOV PA-ED (Caltrans D-5, 2012)
- SR 99 & I-5 Interregional STAA Truck Study (SACOG/SJCOG, 2012)
- Amador CTC SR 16 Corridor Analysis: Watt to Grant Line Road (2014)
- SLOCOG US101 Corridor Mobility Master Plan (2014)
- SLOCOG SR 227 Operations Study (2016)
- TAMC SR 68 Scenic Highway Plan (2017)
- PCTPA I-80/SR 65 Travel Time Reliability and Safety Analysis (2017)
- SCCRTC SR 1 Unified Corridor Investment Study (2018)
- SR 49 CSMP - Technical Advisor (2018, NCTC)
- SLOCOG US 101 Access Restriction Traffic Diversion Study (2019)
- US 101 Pismo PA-ED Traffic Operations Report (Caltrans D-5, 2019)
- NCTC SR 49 Multimodal Corridor Plan (2020)
- NVTA SR 29 Comprehensive Multimodal Corridor Plan (2020)

Congestion Management Program (Federal/State)

- SJCOG 2019 Congestion Management Program Monitoring Report Update
- StanCOG 2018 Partial CMP Update as part of 2018 RTP/SCS
- SACOG 2017 Federal Congestion Management Program
- SJCOG 2017 CMP Monitoring Report Update
- SJCOG 2016 Congestion Management Program Update
- SJCOG 2012 Congestion Management Program Update & Automation Project
- SJCOG 2010 Regional Deficiency Analysis
- While at SBCAG (1992-2005) CMP Program Management

Air Quality Planning / Climate Action Plans

- County of Merced - Climate Action Plan (2018-Present)
- TMPO GHG Reduction Technical Support (2016)
- City of Gridley - Climate Action Plan (2015)
- Caltrans On-Call Air Quality Study Support Services (2009-2015)
- KCAG Climate Action Plan (2014)
- SCAQMD Technical Assistance Related to GHG Air Quality Impacts (2008-13)
- City of Manteca Climate Action Plan (2011)
- TMPO Air Quality Technical Support (2008-11)
- SJCOG Regional TDM Plan & GHG Estimation (2010)

Fee Studies

- SJCOG Regional Transportation Impact Fee Addendum (2020)
- El Dorado County Western Slope Traffic Impact Fee Program Update (Current)
- City of Rancho Cordova Traffic Fee Impact Fee Update (2020, Current)
- City of Goleta Development Impact Fee Update (2018)
- City of Goleta Development Impact Fee Update (2018)
- City of Chico Facilities Fee Update (2018)
- SJCOG Regional Transportation Impact Fee Update (2018)
- El Dorado County Western Slope Traffic Impact Fee Program Update (2016)
- San Joaquin County Traffic Impact Mitigation Fee Program Update (2015)
- SJCOG Regional Transportation Impact Fee Update (2011)
- San Joaquin County Traffic Impact Fee Mitigation Program 2008 Update (2008)
- Atwater-Merced Expressway (SR-59 Bypass) Regional Fee Analysis (2008)
- City of Rio Vista AB1600 Study (2008)
- City of Goleta CIP Fair Share Analysis (2008)



Registration: California
Engineer in Training No.
169042

Education: BS, Civil
Engineering, University of
California Irvine

Years of experience: 3

YANA LOGINOVA, EIT

Transportation Engineering Associate

Yana is a transportation engineering associate working on a variety of design, planning, and operations projects. She has experience working on traffic signal modification, signing and striping, lighting, ramp meter, ITS, and operations projects with private and public agencies throughout California and Oregon. Yana is experienced in applying the latest transportation software packages, including AutoCAD, Microstation, Vissim, Vistro, Sidra, Tru Traffic, Synchro 10, and Aimsun Next.

Relevant Experience

Westminster On-Call Staff Support, Westminster, CA. Yana assisted the City of Westminster in preparation for the citywide inventory of signalized intersections and updated the citywide local timings to ensure compliance with the latest standards set by MUTCD. Yana developed the citywide Synchro Model to help the City identify the local routes which needed improvement in synchronization and to propose possible flush plans.

SR-134 Traffic Signal Improvements, Burbank, CA. The City of Burbank looked to improve various traffic signals along SR-134 and the surrounding area. Yana assisted the design team to prepare signal upgrade plans, improve safety for vehicles and pedestrian access, replace signal controller and cabinet equipment, and fulfill the requirements as set forth in the CA MUTCD.

Imperial Highway Traffic Signal Synchronization Project, Los Angeles County, CA. Yana is responsible for the design of the project, including twelve intersections improvements along the Imperial corridor within Los Angeles County, the City of Inglewood, and the City of Hawthorne. The project involves the preparation of traffic signal plans for traffic signal upgrades, modifications, and intersection geometry improvements including signing and striping improvements.

Olympiad Road – Felipe Road Traffic Signal Synchronization Project, Mission Viejo, CA. As a project engineer, Yana assisted in the preparation of the traffic signal timing plans for the corridor. In addition, she assisted in performing data collection and analysis to develop and implement optimized traffic signal synchronization.

Union Street Two-Way Cycle Track Project, Pasadena, CA. As a project engineer, Yana worked with a multi-disciplined team to provide public outreach, environmental clearance, preliminary and final design, and construction support for a two-way cycle track on Union Street from Arroyo Parkway to Hill Street in the City of Pasadena, California. The design will involve safety measures protecting bicyclists including median barriers separating the cycle track from vehicle lanes, as well as upgrades in traffic signalization and communications that will provide gaps in traffic for bikes and pedestrians to complete turning movements and crossings.



SEAN CARNEY, EIT

Transportation Engineer/Planner

Sean offers a broad range of analysis skills including signal timing, traffic operations analysis, transportation system planning, and crash data and safety analysis. He almost exclusively works with public agencies to identify and resolve the transportation issues of today and plan around the travel demand of the future. Sean is experienced in providing both quantitative and qualitative analysis for all methods of mobility and has worked on projects throughout Northern California and Oregon to address the needs of growing traffic, transit, and active mobility demands. Sean is adept at applying various software packages for traffic analysis including Synchro/SimTraffic, Vissim, ArcGIS, and Cube.

Registrations:

Engineer in Training (CA), Certificate No. 146088

Education: BS, Civil Engineering, Cal Poly San Luis Obispo

Years of experience: 6

Relevant Experience

2035 General Plan Circulation Element, West Sacramento, CA.

Sean assisted in developing the focused travel demand model for the City, as well as applying the model to update the circulation element of the City's general plan. Sean helped with the development of model inputs and developed a Synchro network for intersection analysis and a

series of Excel workbooks to evaluate roadway and freeway segment performance. Further, he worked on incorporating elements of the City's Bicycle, Pedestrian, and Trails Master Plan into the 2035 General Plan Circulation Element.

Sacramento Downtown Transportation Study, Sacramento, CA. Sean assisted in the evaluation of multiple planning alternatives for the Downtown Sacramento street grid. This work included the post processing of activity-based model results in Excel and the mapping of these results in GIS. Some evaluation metrics included mode share, vehicle miles of travel, vehicle hours of delay, and street segment volume-to-capacity ratios for all streets in the downtown area. Additional work included the mapping of all downtown bus lines and transit stops as well as the mapping of the downtown on-street parking data in GIS.

Rancho Cordova General Plan Update, Rancho Cordova, CA. DKS will provide the City with development and traffic forecasts on several "base scenarios" for the EIR on the general plan update.

Folsom General Plan, Folsom, CA. As part of a multidisciplinary team, DKS developed the alternatives for the general plan update. Because the City of Folsom is largely built out and the planning for the new growth area south of Highway 50 is largely complete, city-wide land use alternatives were deemed unnecessary. Instead, alternatives were developed for selected focus areas or corridors. Using the input gathered at the third Townhall Forum, the team identified focus areas that represent the greatest potential for future change, such as Sutter Street and Historic Folsom, the Bidwell Corridor, and the Corp Yard. The focus of the alternatives were options for enhancing these opportunity areas through land use and urban form, and for increasing connectivity between activity nodes within the city. DKS assisted in identifying options for complete streets for the focus area alternatives.

Appendix B: Project Example Sheets

Example Architectural Graphics

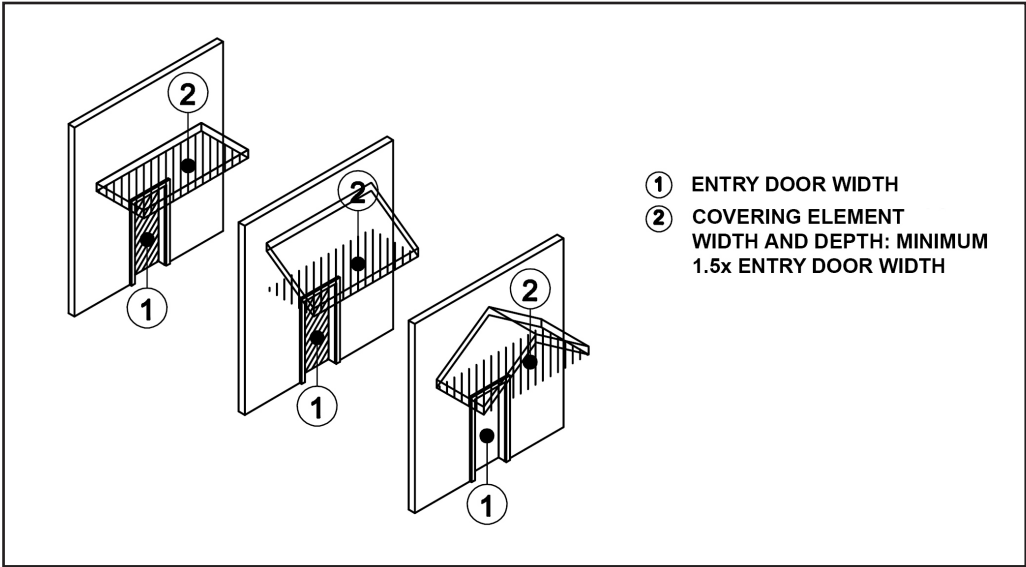
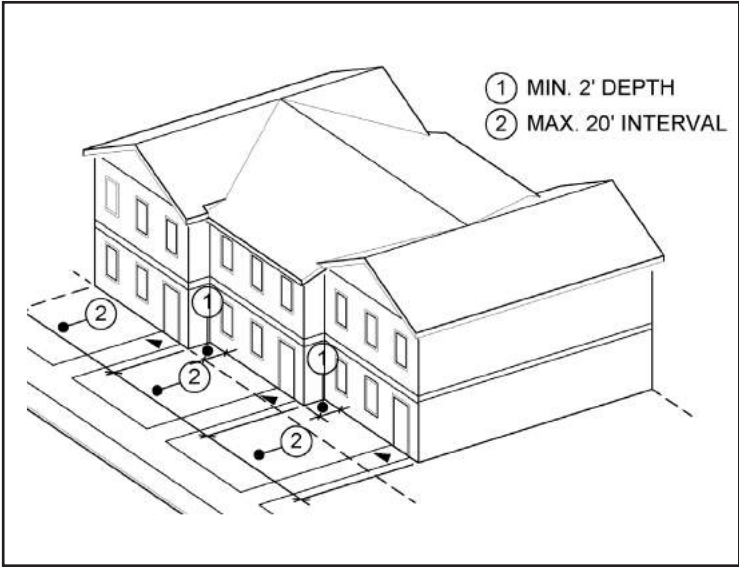
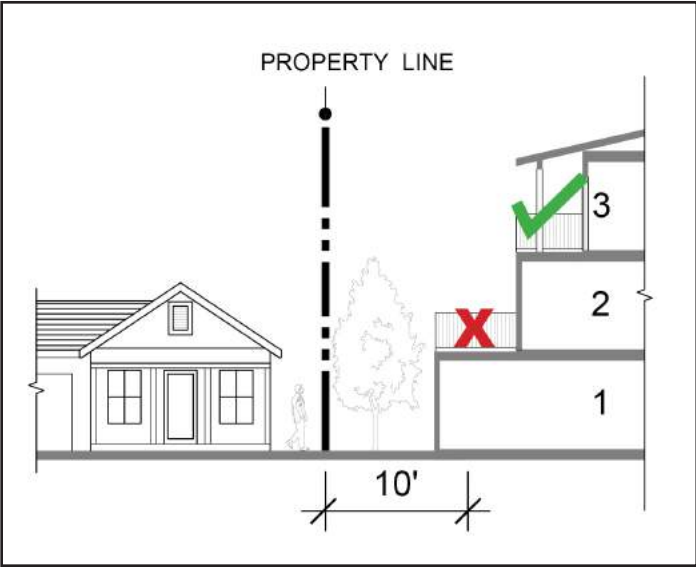
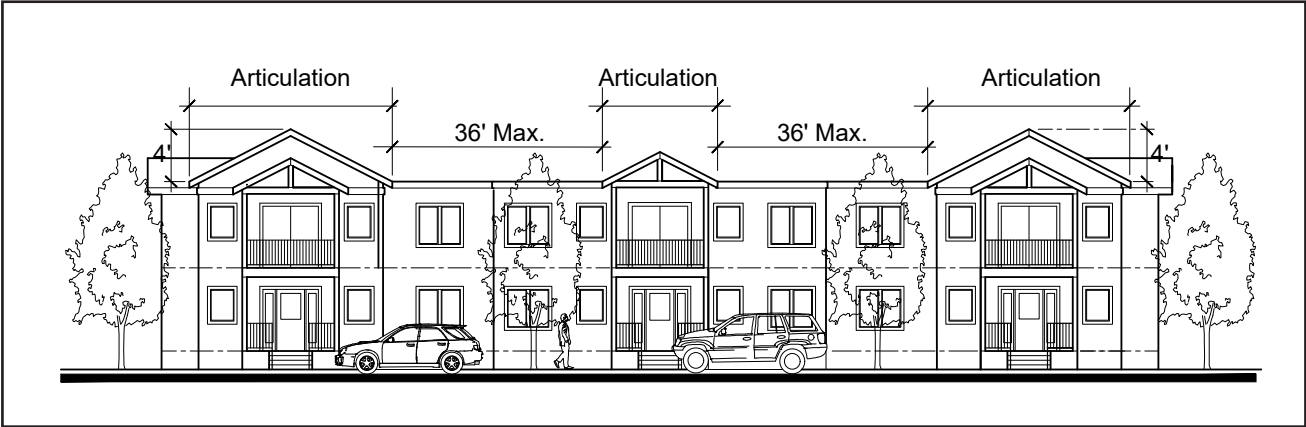


FIGURE 1: GARAGE DOOR ORIENTATION, PROJECTS WITH FIVE OR MORE UNITS

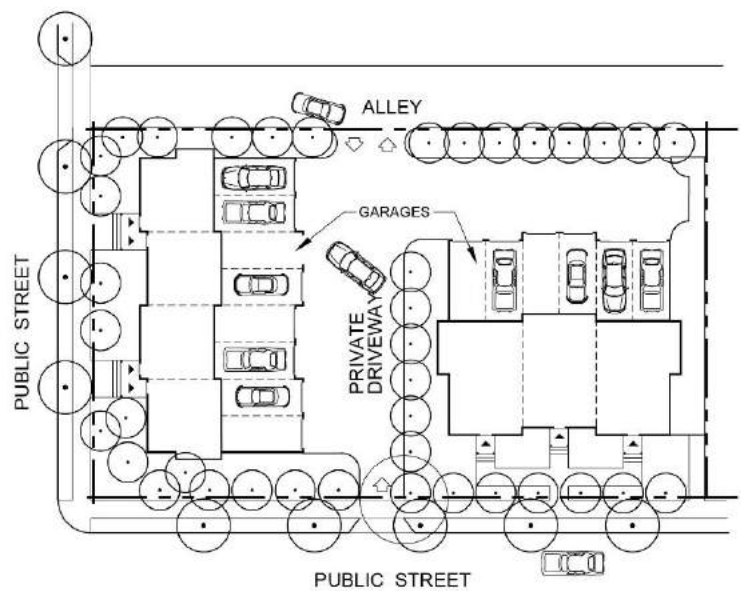


FIGURE 3: MAJOR MASSING BREAKS, GROUND FLOOR COURTYARDS

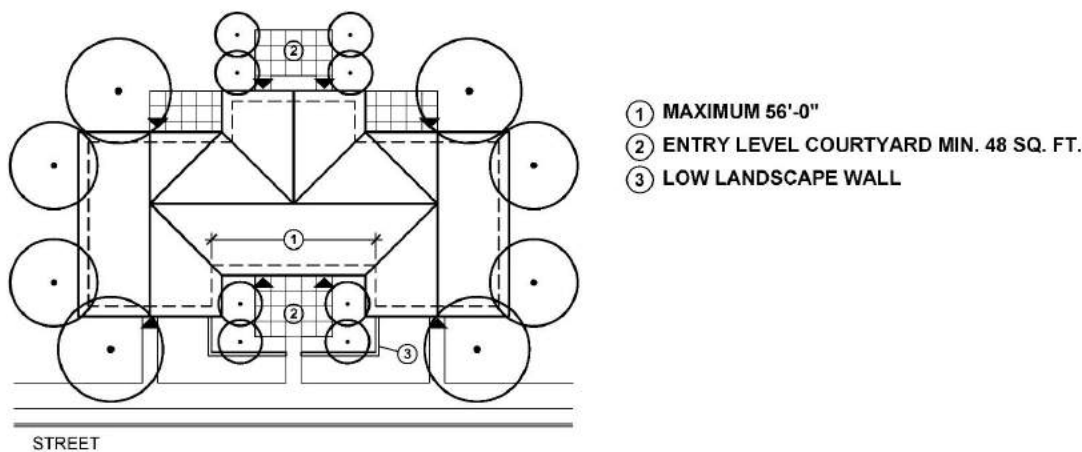
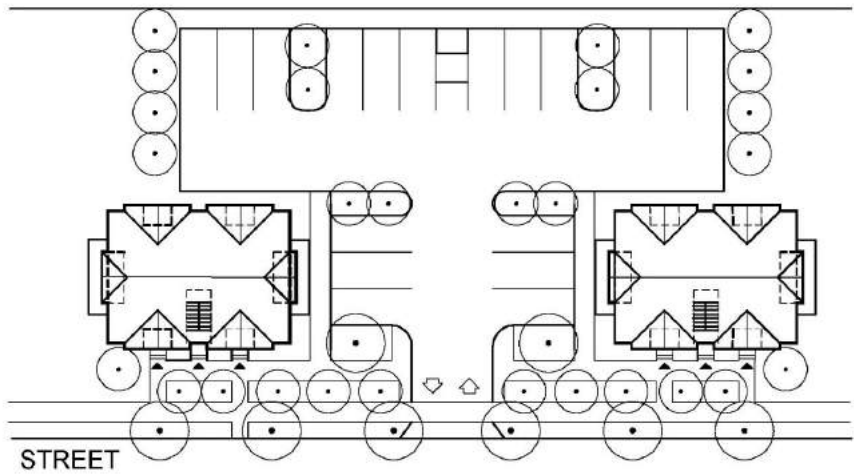
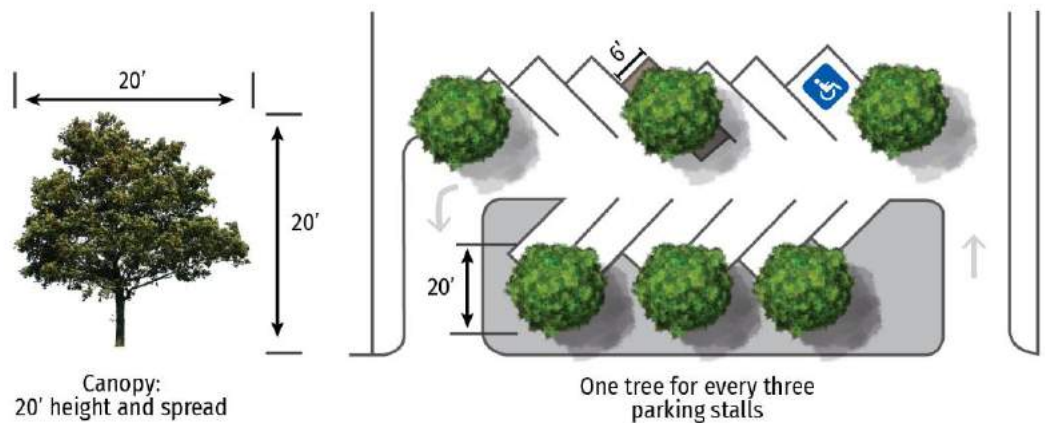
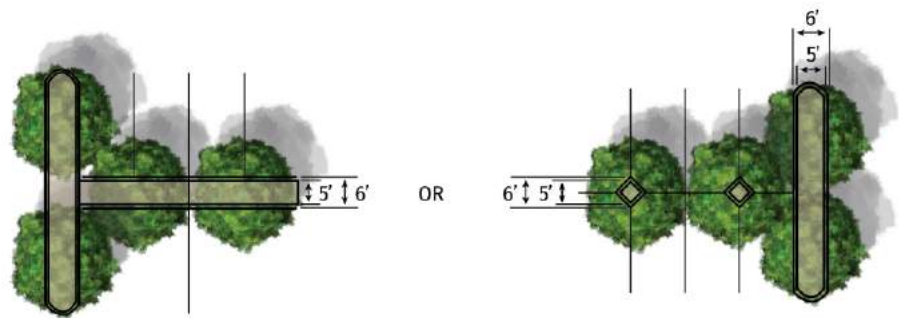
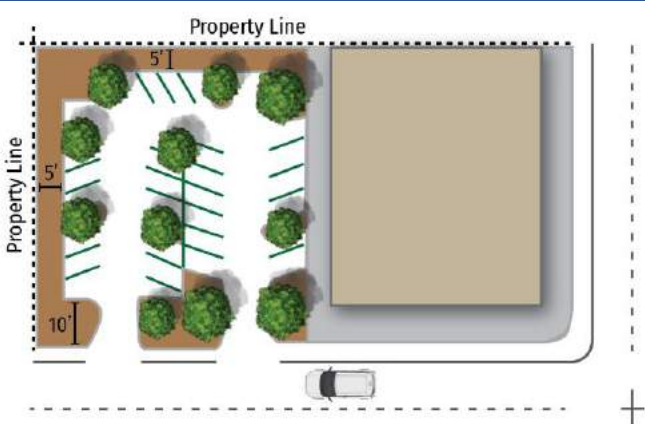
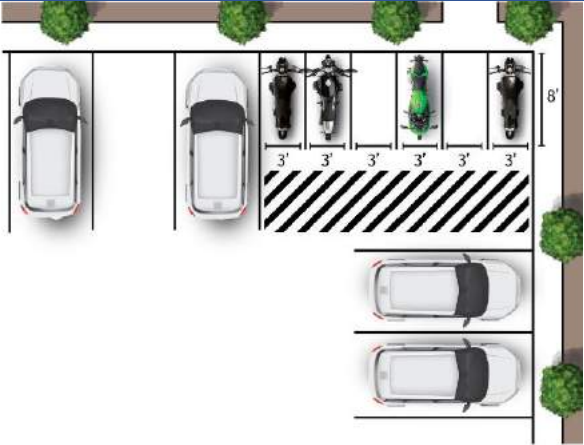


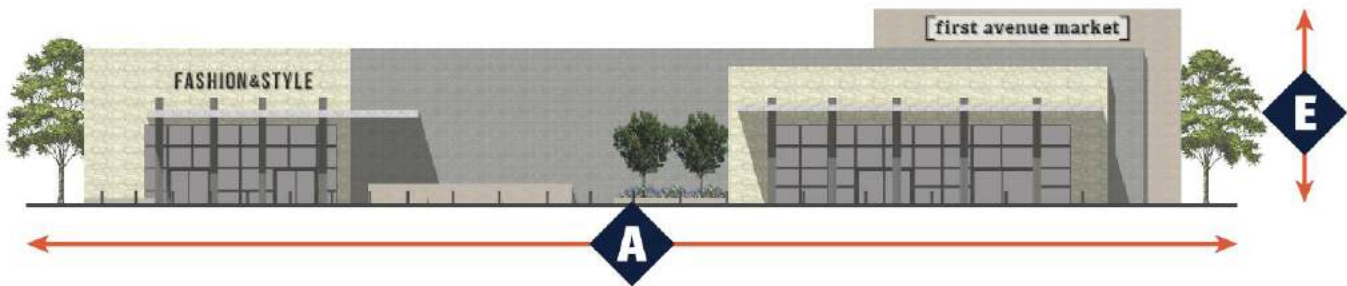
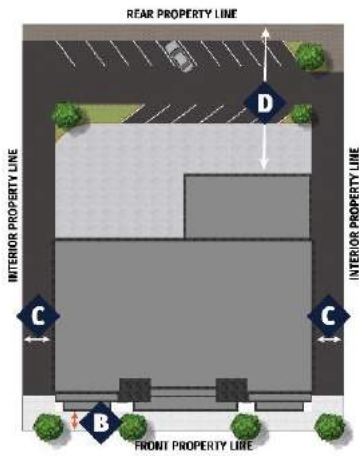
FIGURE 10: UNCOVERED PARKING AREAS



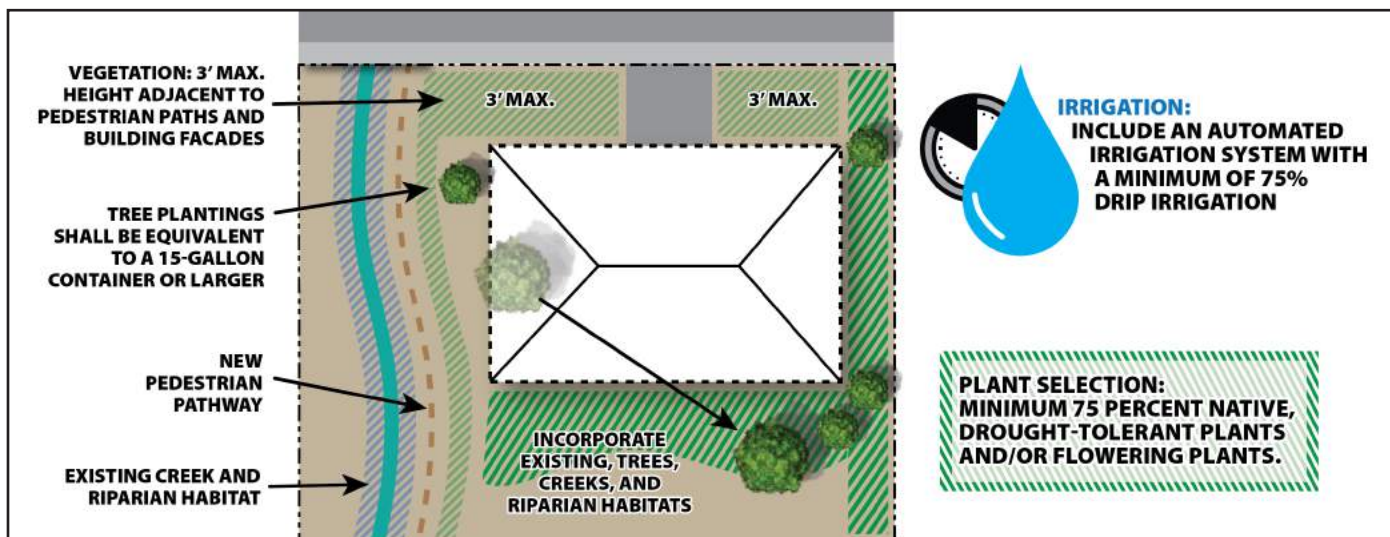
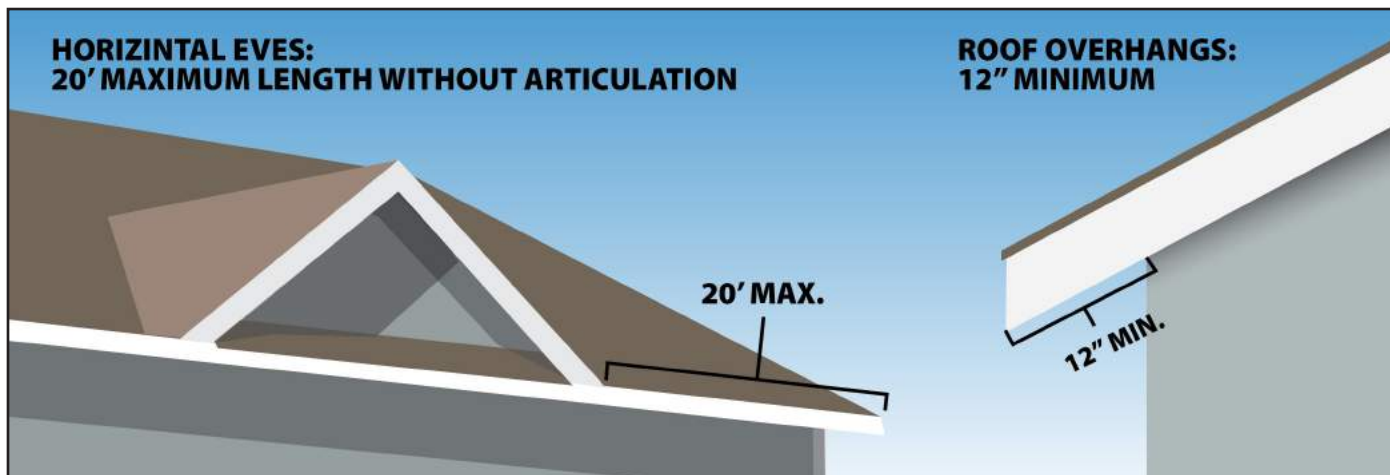
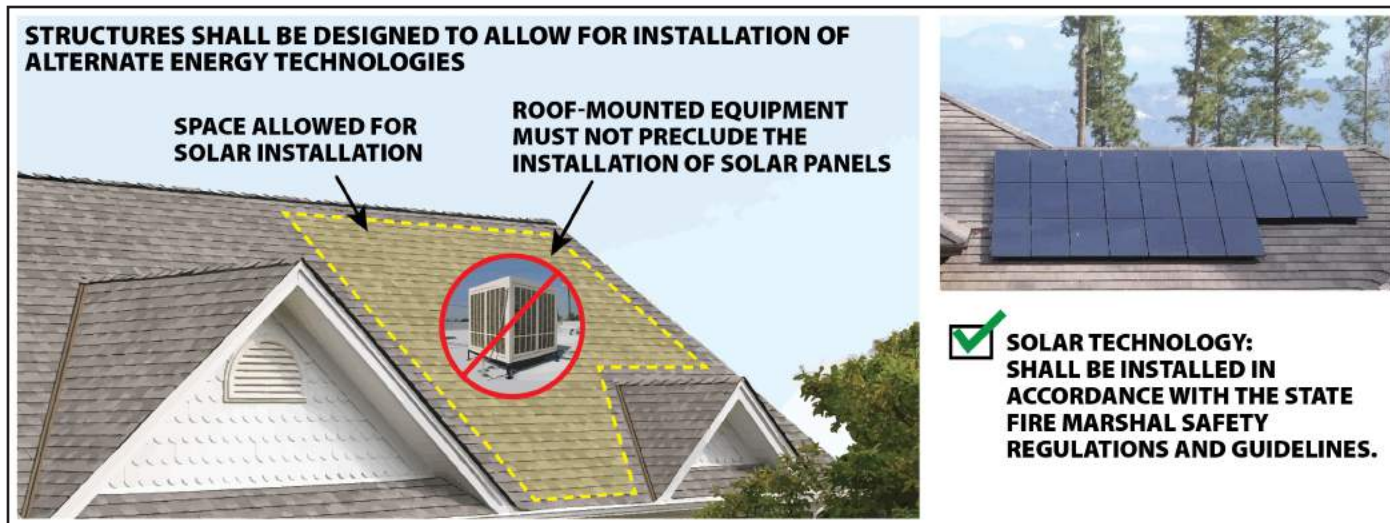
Parking Graphics

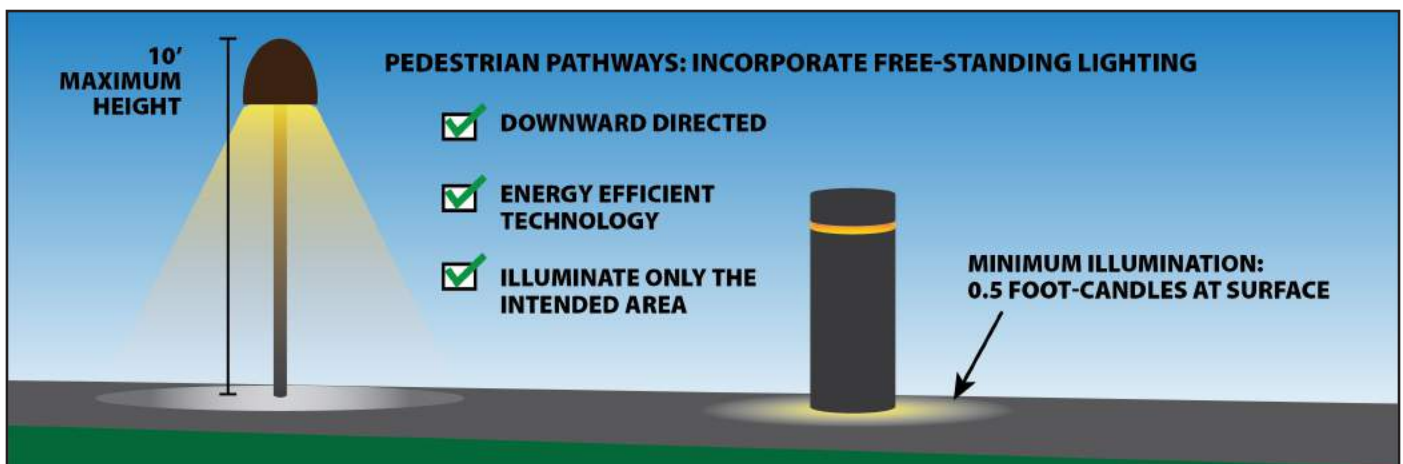
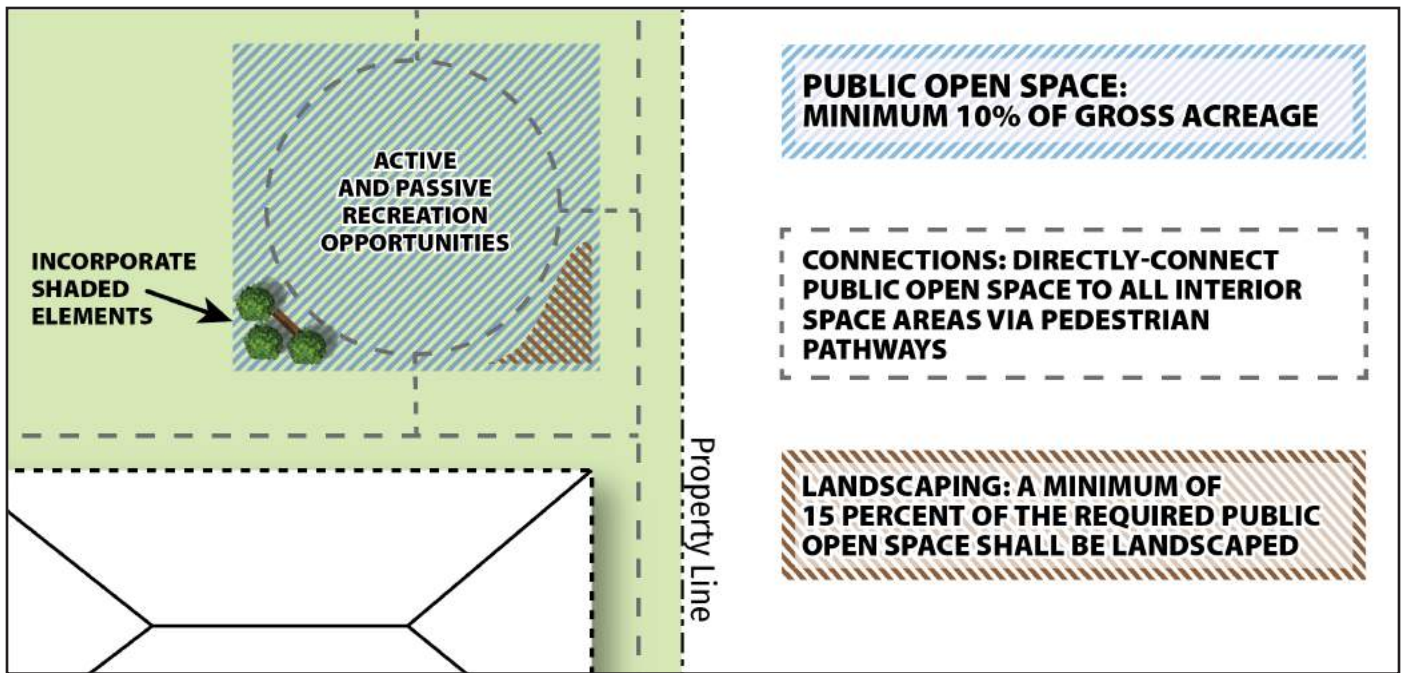


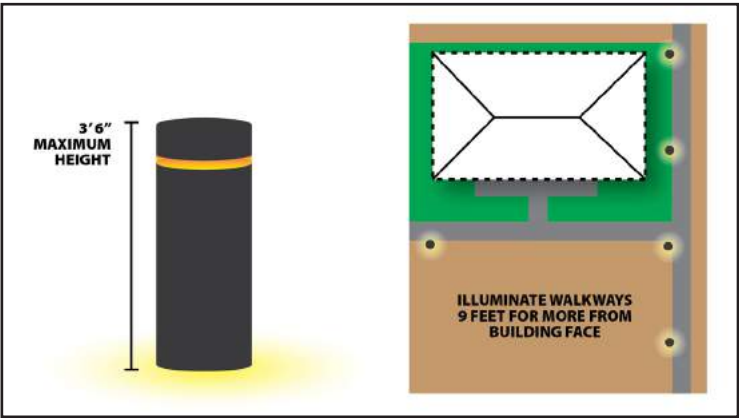
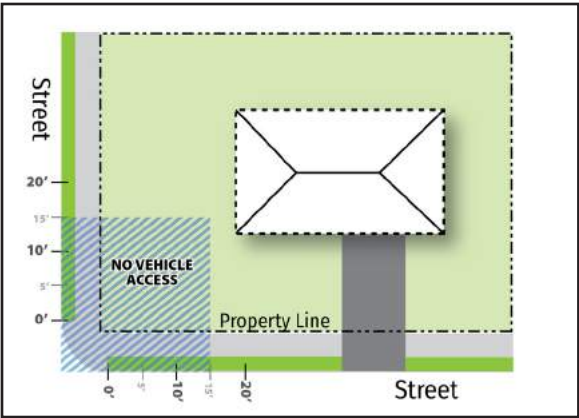
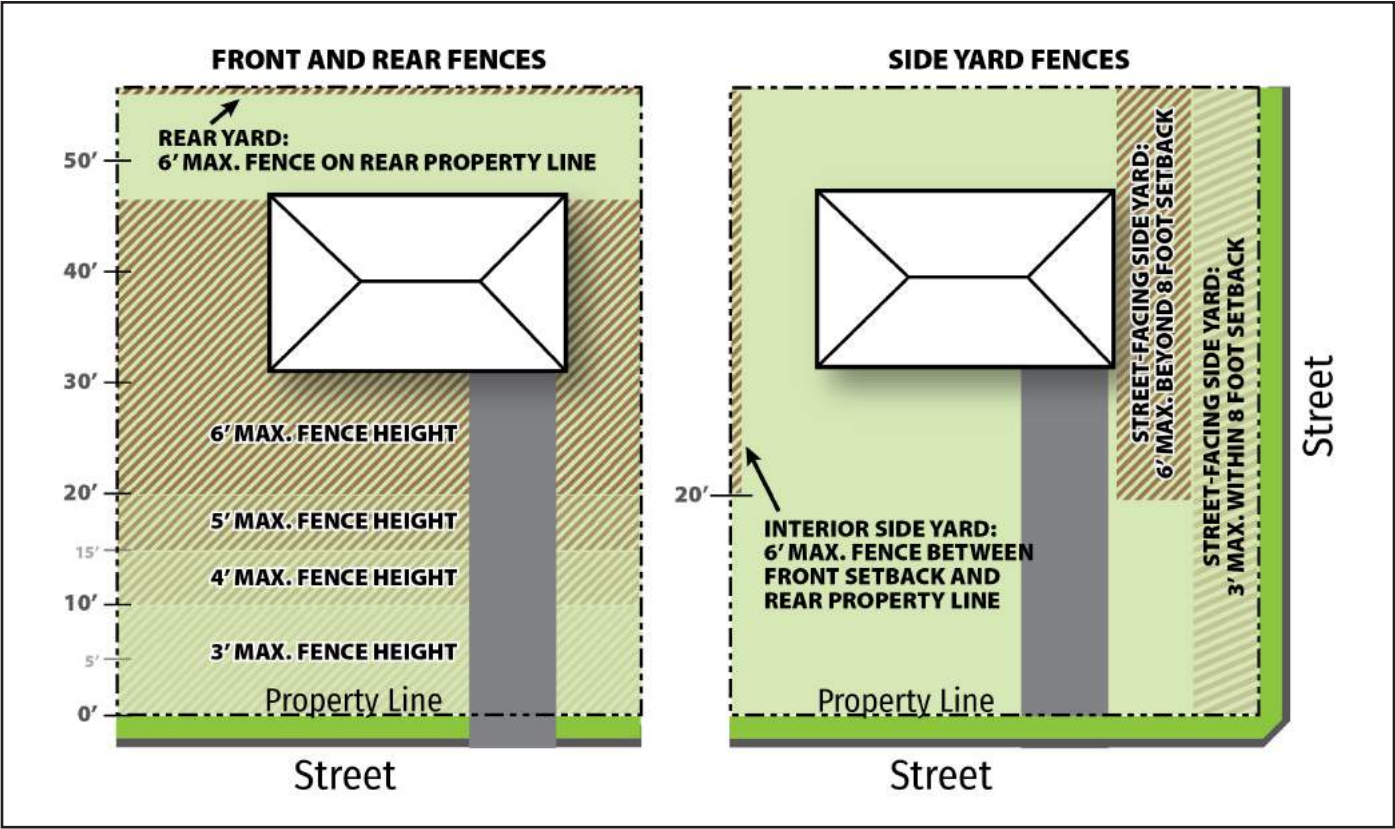
Zoning Structure Graphics with Architectural Material Detail



Example Illustrative Graphics







Appendix C: Professional Services Agreement

We have no objections to the City's standard Professional Services Agreement, which was included with the RFP as Exhibit A.

Appendix D: Disclosures

We have no disclosures to report.



CITY OF HAYWARD

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

File #: PH 22-003

DATE: February 1, 2022

TO: Mayor and City Council

FROM: Finance Director

SUBJECT

Andina Affordable Housing Project TEFRA Hearing: Public Tax and Equity Fiscal Responsibility Act (TEFRA) Hearing as Required by the Internal Revenue Code of 1986, and Adoption of a Resolution Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority in an Amount Not-to-Exceed \$45,000,000 to Finance or Refinance the Acquisition, Rehabilitation, Improvement and Equipping of a Multifamily Rental Housing Project Located at 1180-1182 E Street, Hayward, California (Report from Finance Director Claussen) (Item Continued to February 15, 2022)