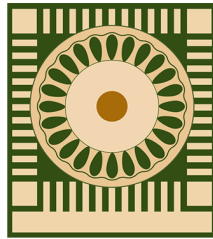


CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
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CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Monday, May 6, 2019

4:00 PM

City Hall, Conference Room 2A

Council Economic Development Committee

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS:

(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda as well as items on the agenda. The Committee 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 Committee is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Committee discussion and may be referred to staff.)

APPROVAL OF MINUTES

1. [MIN 19-060](#) Approval of the Council Economic Development Committee April 1, 2019 Regular Meeting Minutes

Attachments: [Attachment I April 1, 2019 Regular Meeting Minutes](#)

REPORTS/ACTION ITEMS

2. [ACT 19-120](#) Preliminary Concept Review for a New Housing Development Located at 27177 and 27283 Mission Boulevard by the True Life Companies

Attachments: [Attachment I Staff Report](#)
[Attachment II Project Concept Drawings](#)

3. [WS 19-033](#) Park Nexus Study Fee Calculations

Attachments: [Attachment I Staff Report](#)
[Attachment II Park Impact Fee Calculations - Residential and Non-Residential](#)
[Attachment III Alternative Rate Structure - Residential and Non-Residential](#)
[Attachment IV Park Impact Fee Calculations - Residential Only](#)
[Attachment V Alternative Rate Structure - Residential Only](#)
[Attachment VI Rate Comparisons](#)

4. [RPT 19-283](#) Update on Vacancy Rates and Trends for Different Property Types

Attachments: [Attachment 1 Presentation](#)

FUTURE AGENDA ITEMS

5. [RPT 19-278](#) Future Meeting Topics as of May 6, 2019

Attachments: [Attachment I Future Meeting Topics as of May 6, 2019](#)

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



CITY OF HAYWARD

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

File #: MIN 19-060

DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT

Approval of the Council Economic Development Committee April 1, 2019 Regular Meeting Minutes

RECOMMENDATION

That the Committee reviews and approves the draft meeting minutes.

ATTACHMENTS

Attachment I April 1, 2019 Regular Meeting Minutes



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – April 1, 2019

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:03 p.m.

ATTENDANCE (September 2018-July 2019):

Committee Member	Present 4/1/19	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	6	0	5	0
Council Member Mendall	✓	6	0	5	0
Council Member Salinas	✓	3	0	3	0

* Council Member Salinas appointed as of Feb 2019

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Laurel James, Management Analyst II; Catherine Ralston, Economic Development Specialist; Jay Lee, Associate Planner; Suzanne Philis, Senior Secretary; Kim Huggett, Chamber of Commerce; Levi Coulter, Kaur Barn, U-Haul; Paul Hodges, HARD; Andy Rabens

PUBLIC COMMENTS

Hayward Chamber of Commerce President and CEO Kim Huggett announced the update of the Chamber's Hayward Business and Membership Directory coming out in the summer. He noted advertisements were being accepted and said he would be glad to accept a letter of welcome from Mayor Halliday to be included.

1. APPROVAL OF MINUTES OF REGULAR MEETING MARCH 4, 2019

A motion to approve minutes with minor corrections was made by Council Member Mendall with a second by Council Member Salinas. Minutes from the March 4, 2019 Regular Meeting were approved.

2. REVIEW OF A SITE PLAN REVIEW FROM U-HAUL TO DEMOLISH AN EXISTING HISTORIC BUILDING AND CONSTRUCT TWO NEW INDUSTRIAL BUILDINGS FOR A CORPORATE FACILITY ON A 7.3-ACRE PARCEL LOCATED AT 4150 POINT EDEN WAY

Associate Planner Jay Lee gave the presentation noting the site was previously occupied by the Oliver

Brothers Salt Company which ceased salt production operations in 1982. In 1994 the site was deemed a rural historic landscape and added to the National Register of Historic Places. On February 25, 2019, he continued, U-Haul submitted a Site Plan Review application that would demolish the existing historic wooden warehouse for two new concrete tilt-up buildings totaling 96,134 square feet.

Mayor Halliday asked if the applicant had a separate presentation. Levi Coulter, Marketing Company President 815, explained that this was their first submittal and after speaking to staff had a better vision of what the City wanted and would be resubmitting a building plan that “pops.” He said U-Haul understood that this was a gateway location and everyone wanted something they could be proud of.

Council Member Salinas said he wasn’t impressed with the proposed building and wondered if U-Haul was the best and highest use for such a visible location. He said the next submittal would have to be an incredible building. In particular, he said, he did not want stucco walls and windows.

Council Member Salinas asked what would be at the location and if trucks would be coming and going. Mr. Coulter said the majority of space would be used for warehousing of storage containers (with dock doors at the back of the building not visible from the freeway) with some truck traffic.

Council Member Salinas asked Mr. Coulter what U-Haul would do if the Committee gave him a hard no. Mr. Coulter said his CEO was intent on keeping the property and had given him a hard no on any use other than a development for U-Haul. Mr. Coulter emphasized U-Haul’s desire to work with the City and said they would be willing to install a Welcome to the City Hayward sign, extend the Bay Trail along the shoreline, and add amenities for Bay Trail users.

In response to the question from staff if the existing building should be demolished, Council Member Salinas asked if there was any other option. Associate Planner Lee said there was potential to work around the existing building but there would be considerably less available land. He noted that in 2009, the historic evaluation determined that the warehouse could be refurbished, but he wasn’t sure if that was still true. Council Member Salinas asked for the size of the existing building, but staff didn’t know.

Associate Planner Lee pointed out that an updated historic evaluation would need to be completed as part of the environmental review and that would determine what could be done to the existing building.

Council Member Mendall said he agreed with his colleague but felt the existing building needed to be demolished regardless of what the City decided to do with the site. He said the proposed use wasn’t appropriate for the site and the current design was not even in the ballpark. Whether building plans could be modified enough that the City was satisfied and still function for U-Haul was possible, he said, but unlikely. Council Member Mendall pointed out that the maintenance yard would not be allowed under the soon-to-be updated industrial district zoning ordinance.

Council Member Mendall questioned if it would be easier to say no the project and look for another, more appropriate, location in Hayward. He said he would be very enthusiastic about having the use and expansion of U-Haul in Hayward, but just not at that site.

Mayor Halliday asked what would be stored in the warehouse and what was a corporate

maintenance facility. Mr. Coulter explained that portable storage units, or pods, would be shipped to and from, and stored at, the location. U-Haul vehicles would be serviced at the maintenance facility, he said.

Mayor Halliday agreed with Council Members Salinas and Mendall that this wasn't an appropriate use for this site. And although she was in favor of preserving history, she agreed that the existing building had no historical significance. She said she did want to preserve the history of the salt industry in Hayward and some mitigation might be required due to the loss of the building.

Council Member Salinas summarized the Committee's feedback as U-Haul needed to come back with a building that wowed them and if that didn't happen, the City would move forward with updating industrial zoning. Mayor Halliday said any future proposals would go to the Planning Commission and ultimately, City Council for approval.

Council Member Mendall requested that all future proposals for this site and any other gateway location along the shoreline or freeway come to City Council for review, even if the project doesn't require a zone change and/or receives Planning Commission approval.

3. EQUAL PAY PROTECTIONS WORK SESSION

City Manager McAdoo introduced the item noting the topic was a referral from Council Member Wahab who had asked staff to consider an ordinance that would be applicable to all businesses in the City. She said the presentation would also analyze what other cities were doing and what protections were already in place. Management Analyst II Laurel James gave the presentation noting a minimum wage ordinance would be analyzed and reported on separately.

Council Member Salinas supported the staff recommendation to amend Article 7 of the Hayward Municipal Code to include gender identity and expression. He commented that if the issue ever does go to Council that data regarding the intersection of race, culture, and language should receive further review.

Council Member Salinas asked if the Personnel Commission could monitor businesses for compliance and maintain contract data. City Manager McAdoo said they could, but it would still take staff time to prepare reports and data to bring to the Commission. She noted that City contractors already sign an exhibit to the contract that stated they would abide by Article 7 and if an employee of a contractor ever complained, the City could investigate.

Council Member Salinas asked what the City could do to bring the highest level of awareness to businesses about the existing ordinance and have them publicly acknowledge and state how they comply. Management Analyst James noted under Article 7, businesses were required to post the ordinance, Equal Opportunity, and Department of Employment and Fair Housing information at the worksite. Although the City did not actively enforce the ordinance, she said, if the City received a complaint, the business would be required to provide responsive information. She also noted as a Compassionate City, Hayward could direct community members to other related resources.

Council Member Salinas asked if the Chamber offered workshops on how to contract with the City. President and CEO Huggett said the Chamber had partnered with Economic Development for a

series of workshops through the Alameda County Small Business Development Center as well as offer workshops with other local agencies.

Council Member Salinas encouraged staff to develop an educational component for the business community so compliance could be easily checked if the City received a complaint. City Manager McAdoo said the City could generate marketing materials related to the ordinance or amend the Article to include information on how to file a complaint.

Council Member Mendall also supported amending the Article to include gender identity and expression before the end of the year. He said he appreciated the data and what stood out for him was the strength of California state laws and that the wage gap in Hayward was lower than the state and national averages. Because of that he said hiring staff to monitor business compliance wasn't his highest priority; he would rather hire someone in Maintenance, Library or Housing. Council Member Mendall said he would support leveraging partnerships and developing marketing materials.

Council Member Mendall asked Management Analyst James if she thought the City should be taking stronger action. She responded that related conversations extended beyond the City's jurisdiction and noted there was no clear link between City-level equal pay protections and improving the lives of residents. Even with state and federal protections, she said there were many causes of wage gaps and solving them was a larger societal conversation and cultural change. She did see more opportunity for communication and to empower community members in exercising their rights by funding agencies that provided support (which, she said, the City already did).

Council Member Salinas said he would be interested in seeing a wage gap comparison between cities with and without a community college and university. Members discussed various hiring and workforce trends.

Mayor Halliday also supported amending Article 7 and focusing employee resources elsewhere, noting compliance hadn't come up as a problem. When she commented that it was good to hear Hayward was doing better than the state and nation, it was pointed out that government agencies were typically less discriminatory. Mayor Halliday said Option 3 of the staff report was the most appealing and she encouraged staff to make information available at the new main library, offer programs, and engage groups like the Hayward Promise Neighborhood to help spread information.

Mayor Halliday asked if the item would go to Council. City Manager McAdoo said Council would need to approve the amendment to Article 7 and said a brief report would be drafted with links to the CEDC report and recommendation along with a timeline for the amendment.

4. UPDATE ON ECONOMIC DEVELOPMENT ACTIVITIES

Deputy City Manager Ott announced Paul Nguyen would be starting as Economic Development Manager on April 8th and would fill the second Specialist position once he got settled.

Economic Development Specialist Ralston gave the presentation of recent activities including: the success of the Small Business Assistance Grant program; outreach via the Business Visitation Program; site location and high-level project feedback provided through the Business Concierge

program; and design services provided to downtown businesses participating in the Façade Improvement Rebate Program.

Council Member Mendall confirmed that the food court at Southland Mall was not going away. Specialist Ralston explained that potential entertainment uses in the basement of the mall would be accessed by going through the food court.

Members discussed the growing employee shortage for Hayward businesses. Staff reported higher housing costs were not keeping up with wages and businesses were having trouble finding and keeping employees with many manufacturers reporting dozens of vacancies. Mayor Halliday noted many were already paying more than minimum wage.

Council Member Mendall asked for a report that examined the history of industrial vacancy rates. Staff confirmed that a report was already coming.

Specialist Ralston announced the Tarlton Group had purchased the former Impax Laboratory properties and planned to build a 3-story office building as one of their first projects. Council Member Mendall said that was outstanding and encouraged staff to spread the word. Deputy City Manager Ott noted that Tarlton was open to funding bicycle improvements because it was such an important part of their employment model.

When Specialist Ralston mentioned that the Shea Development site on Industrial was approaching full capacity, City Manager McAdoo mentioned that the Fire Chief was instrumental in Falck Ambulance relocating to Hayward and although it was logistical in nature, improved response times was a benefit.

After it was announced that a new retail strip center was in the third round of plan check for the Uncle Roy's property on Mission Boulevard, Council Member Mendall requested a photo rendering on a "Coming Soon" sign. He mentioned that he received a lot of complaints about the building and a sign would be helpful when the new main library opened.

Council Member Salinas asked that the CEDC could approve the tenants for the five retail spaces. City Manager McAdoo said retail uses would be approved by-right. He asked if cannabis would be permitted and was told not by-right because of the vicinity of the library. Mayor Halliday asked about massage parlors and was told that use required an administrative use permit. Deputy City Manager Ott said staff could provide tenant updates to members.

Council Member Mendall asked if the new library was impetus for the development. Staff didn't know but indicated that plans had been in process for quite some time.

Because the business was so new it wasn't included in the presentation, Specialist Ralston announced a new Dunkin Donuts was coming in on Jackson Street. Council Member Mendall was particularly pleased.

Mayor Halliday asked when the bowling alley was opening at Southland Mall and was told the first of July. Council Member Mendall asked that the opening be advertised and staff said the business would start make an announcements when they got closer to the Grand Opening.

5. FUTURE MEETING TOPICS AS OF APRIL 1, 2019

Council Member Mendall suggested keeping the schedule of upcoming topics flexible until the new Economic Development Manager got started. Deputy City Manager Ott noted that reports would be moved as new projects came in.

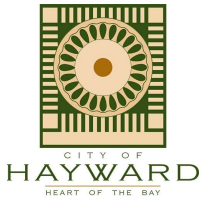
COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Council Member Salinas said he recently attended a CALED conference and the main subject was economic development and homelessness. He said many small cities in Southern California didn't have Housing Departments so Economic Development was tasked with trying to find resolutions. He said, in comparison, the City of Hayward was much further along in the planning process.

Deputy City Manager Ott mentioned that the Council Homelessness Task Force was thinking strategically on how to allocate the initial 45 beds at the new Navigation Center. She said staff would be working with Economic Development staff because of the focus on downtown noting the two couldn't be separated because of the potential impact on businesses. City Manager McAdoo said a report of impacts to various commercial areas would come back for Committee review.

Mayor Halliday mentioned she attended an event earlier in the day that focused on introducing low income and kids of color to technology. She said basketball players were investing their money into the program. Members said they would like to hear more about the program.

ADJOURNMENT: The meeting was adjourned at 5:40 p.m.



CITY OF HAYWARD

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

File #: ACT 19-120

DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT

Preliminary Concept Review for a New Housing Development Located at 27177 and 27283 Mission Boulevard by the True Life Companies

That the Council Economic Development Committee reviews and provides feedback on this proposed residential development to the applicant and staff.

SUMMARY

On April 15, 2019, True Life submitted a request for a preliminary concept level review of a new residential development located at 27177 and 27283 Mission Boulevard. The project proposes new for sale housing units located on the 2.4-acre property. Staff has not performed any site analysis on this proposal prior to the presentation at the meeting. The following report provides the members of the CEDC with the existing Zoning and General Plan policies and standards.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Project Concept Drawings



DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT: Preliminary Concept Review for a New Housing Development Located at 27177 and 27283 Mission Boulevard by the True Life Companies

RECOMMENDATION

That the Council Economic Development Committee reviews and provides feedback on this proposed residential development to the project proponent and staff.

SUMMARY

On April 15, 2019, True Life Companies submitted a request for a preliminary concept level review of a new residential development located at 27177 and 27283 Mission Boulevard. The project proposes new for sale housing units located on the 2.4-acre property. Staff has not performed any site analysis on this proposal prior to the presentation at the meeting. The following report it to provide the members of the CEDC with the existing Zoning and General Plan policies and standards.

DISCUSSION

The True Life Companies development team requested to present a preliminary design to the CEDC to receive feedback on a new proposal for the property located at 27177 and 27283 Mission Boulevard. These two parcels are currently developed with automotive related uses and are located across from Moreau Catholic High School. The total project size is 2.4 acres.

The project site is in the S-T4 Urban General Zone, which is part of the South Hayward Bart Form-Based Code. This zone allows a density of 17.5 to 35 dwelling units per acre. While the exact layout of the project has not been determined, the proponent indicated that the project will have between 42 and 84 units, which is consistent with the allowed density. The final number of units will be dependent on the ultimate product type and whether commercial space along Mission Boulevard is part of the project. The site is not in a commercial overlay district, and while commercial uses are not required along Mission Boulevard, an active ground floor along Mission Boulevard has been encouraged in other developments in this area.

The proponent indicated that the proposed units will be between 1,300 and 1,900 square feet with three to four bedrooms. Each unit will have two parking spaces. The applicant did not provide a site plan to indicate if any guest spaces will be available within the development.

The proposed drawings submitted in Attachment III are concept level architectural plans and do not include a site plan. Staff has not performed any analysis of this proposed project, and the proponent will be presenting at the meeting. The project will be subject to a full review and analysis by staff and the appropriate reviewing bodies when a formal application is submitted to the City.

NEXT STEPS

Following this meeting, the project proponent will take into consideration any comments and feedback from the CEDC into their development proposal prior to submitting a formal development application. If the project is deemed complete and supported by staff, the project would commence environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines.

Prepared by: Catherine Ralston, Economic Development Specialist

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager



Council Economic Development Committee

May 6, 2019

27283, 27177 Mission Boulevard, Hayward



Two Parcel Assemblage totaling 2.49 acres
General Plan: SMU: Sustainable Mixed Use
Zoning: S-T4



Neighboring properties include Bowman Elementary School, Moreau High School, St. Clement's Church.





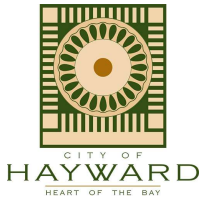




Allowed Uses S-T4

a. RESIDENTIAL			b. LODGING		c. OFFICE		d. RETAIL		d, RETAIL		e. CIVIC		f. OTHER: AGRICULTURE		g. OTHER: AUTOMOTIVE		h. OTHER: CIVIL SUPPORT		i. OTHER: EDUCATION						
Multiple Family	P	Bed & Breakfast	AU	Office	P	Alcohol Sales**	CU	Pawn Shop	-	Assembly*	AU	Vegetable Garden	P	Automobile Repair (Minor)	AU	Fire Station	P	Day Care Center	P						
Second Dwelling Unit	-	Hotel	CU			Artisan/Craft Production	P	Personal Services	P	Conference Center	-	Urban Farm	P	Automobile Repair (Major)	CU	Hospital	CU	Day Care Home	AU						
Live-Work	P					Appliance Repair Shop	P	Printing and Publishing	AU	Cultural Facility	P	Community Garden	P	Drive-Through Facility	CU	Medical/Dental Clinic	AU	Educational Facility	AU						
Small Group Transitional Housing	P					Check Cashing & Loans	-	Recycling Collection Area	AU	Park & Recreation	P	Green Roof		Gas Station	Cu	Mortuary	AU	Vocational School	AU						
Large Group Transitional Housing	CU					Dance/Nightclub	-	Restaurant	P	Parking Facility	AU	Extensive	P	Taxi Company	AU	Police Station	P								
Small Group Supportive Housing	P					Equipment Rentals	AU	Retail Sales	P	Public Agency Facility	P	Semi Intensive	P												
Large Group Supportive Housing	CU					Home Occupation	P	Tattoo Parlor	-	Religious Facility*	AU	Intensive	P												
Emergency Homeless Shelter	P					Indoor Recreation	AU	Tobacco Specialty Store	-	Wind Energy	P	Vertical Farm	-												
						Kennel	AU	Small Motion Picture Theater	P																
						Liquor Store	-	Large Motion Picture Theater ⁽¹⁾	CU																
						Massage Parlor	CU	Live Performance Theater	P																
						Media Production	AU																		





CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
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File #: WS 19-033

DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT

Park Nexus Study Fee Calculations

RECOMMENDATION

That the Council Economic Development Committee reviews and provides feedback and direction on the park impact fee calculations.

SUMMARY

The attached park impact fee calculations, prepared by Community Attributes, Inc., show the maximum allowable park in-lieu fees that could be assessed on different development types. Currently, park fees in Hayward are only imposed on residential development, in accordance with the Quimby Act. However, per the Mitigation Fee Act, the City has the option to also assess fees on non-residential development, as long as that fee bears a reasonable and proportionate relationship to the impact that the development creates on the parks system.

Two sets of park fee calculations are provided in the following attachments. One calculates the maximum allowable fees if they are assessed on both residential and non-residential development. The other calculates maximum allowable fees if they are assessed on residential development only.

From the Committee, staff would like direction on the following questions:

1. Should park impact fees be applied to non-residential development?
2. Should park impact fees be reduced below the maximum allowable for any types of development?
If so, which types and how much?
3. Are there any types of development that should be exempt from park fees, such as accessory dwelling units (ADUs), affordable housing, senior housing, etc.?

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Park Impact Fee Calculations - Residential and Non-Residential
Attachment III	Alternative Rate Structure - Residential and Non-Residential
Attachment IV	Park Impact Fee Calculations - Residential Only
Attachment V	Alternative Rate Structure - Residential Only
Attachment VI	Rate Comparisons

File #: WS 19-033



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FROM: Development Services Director

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RECOMMENDATION

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SUMMARY

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3. Are there any types of development that should be exempt from park fees, such as accessory dwelling units (ADUs), affordable housing, senior housing, etc.?

BACKGROUND

In May 2018, the City entered into a contract with Community Attributes, Inc. (CAI) to conduct a comprehensive nexus-study for park dedication and in-lieu impact fees to align with current economic and development activities within Hayward. The last nexus study and fee schedule update occurred in 2003. Subsequently, park dedication and in-lieu fees have not kept pace with inflation and land values. Had a Consumer Price Index adjustment been made annually, Table 1 illustrates how the fees adopted in 2003 would have changed over time.

Table 1: Hypothetical Park In-Lieu Fees if Annual CPI Adjustment Had Been Made

Year	CPI	% Change	Park In-Lieu Fee		
			Single-Family Detached	Single-Family Attached	Multi-Family
2003	196.4		\$11,953	\$11,395	\$9,653
2004	198.8	1.2%	\$12,099	\$11,534	\$9,771
2005	202.7	2.0%	\$12,336	\$11,761	\$9,963
2006	209.2	3.2%	\$12,732	\$12,138	\$10,282
2007	216.048	3.3%	\$13,149	\$12,535	\$10,619
2008	222.767	3.1%	\$13,558	\$12,925	\$10,949
2009	224.395	0.7%	\$13,657	\$13,019	\$11,029
2010	227.469	1.4%	\$13,844	\$13,198	\$11,180
2011	233.390	2.6%	\$14,204	\$13,541	\$11,471
2012	239.650	2.7%	\$14,585	\$13,904	\$11,779
2013	245.023	2.2%	\$14,912	\$14,216	\$12,043
2014	251.985	2.8%	\$15,336	\$14,620	\$12,385
2015	258.572	2.6%	\$15,737	\$15,002	\$12,709
2016	266.344	3.0%	\$16,210	\$15,453	\$13,091
2017	274.924	3.2%	\$16,732	\$15,951	\$13,512
2018	285.550	3.9%	\$17,379	\$16,567	\$14,035

Source: Community Attributes, Inc.

A project kick-off meeting was held in October 2018. Participants included: City staff from Development Services, the City Manager's Office, and the Finance Department; HARD staff; and CAI staff. Based on the discussion at the kickoff meeting, CAI developed recommendations regarding the methodology for the nexus study and followed up with City and HARD staff during a conference call in December 2018 for additional guidance and input.

Since then, CAI has developed park impact fee calculations, which calculate the maximum fees for different development types that would be legally defensible based on land acquisition and development costs. These fee calculations are the subject of this staff report.

DISCUSSION

California State Law allows for two different types of fees that can be charged to new development to mitigate their impact on the parks and recreation system:

- The Quimby Act allows cities to require the dedication of land up to five acres per 1,000 population (depending on the current level of service). Quimby fees do not apply to all types of development and are limited to subdivisions of up to 50 parcels and other specific criteria.
- The Mitigation Fee Act allows cities to charge impact fees to all types of new development provided that the fee bears a reasonable and proportionate relationship to the impact that the development creates on the parks system.

Currently, the City of Hayward has Quimby Act parkland dedication and in-lieu fees only for new residential development. However, the park impact fee calculations contained in this report and the relevant attachments have been calculated following the requirements of the Mitigation Fee Act. This allows staff and decision-makers the ability to compare what the fees would be if the City continues to assess fees only on residential development, or if it opts to also assess fees on non-residential development.

Residential and Non-Residential Fee Calculations

Attachment II details the process for calculating maximum allowable park in-lieu fees if both residential *and* non-residential development are charged. While population and employment are both expected to grow in Hayward, they should not be counted equally because employees and visitors spend less time in Hayward than residents, and therefore they have less benefit from Hayward's parks. There is a well-established and widely-used technique for accounting for these differences in impact fees and it involves "equivalency." Appendix A of Attachment II describes equivalency and explains how the "equivalent population" coefficients were developed for this study of park impact fees. The results allow business to pay their proportionate share of parks for growth based on the "equivalent population" that nonresidential development generates.

Based on the analysis presented in Attachment II, Table 2 shows the maximum allowable park impact fees that could be assessed for different types of residential and non-residential development. Existing park fees for residential development are shown for comparison.

Table 2: Maximum Allowable Park Impact Fees, Calculated
for Residential and Non-Residential Development

<i>Type of Development</i>	<i>Existing Fee</i>	<i>Maximum Allowable Fee</i>
Residential		
Single-Family ¹	\$11,953	\$20,056
Multifamily	\$9,653	\$16,415
Mobile Home and Other	\$9,653	\$13,280
Non-Residential		
Office/Other Commercial	-	\$7.88/sq. ft.
Retail	-	\$9.72/sq. ft.
Industrial	-	\$0.78/sq. ft.
Government	-	\$9.00/sq. ft.
Education	-	\$2.87/sq. ft.

Notes:

1. Attached single-family homes are assessed a fee of \$11,395.

Source: Community Attributes, Inc.

The City could decide to further break down residential park fees based on the number of bedrooms per unit. Based on data on the average number of persons per dwelling unit from the U.S. Census Bureau American Housing Survey, Table 3 shows the maximum allowable

park fees that could be assessed per unit based on bedroom count. Attachment III provides additional detail on this calculation.

Table 3: Maximum Allowable Park Impact
Fees by Unit Size

<i>Unit by Bedroom Count</i>	<i>Maximum Allowable Fee</i>
0 Bedrooms	\$4,416
1 Bedroom	\$6,915
2 Bedrooms	\$12,474
3 Bedrooms	\$21,784
4 or more Bedrooms	\$30,301

Source: Community Attributes, Inc.

Residential-Only Fee Calculations

Attachments IV and V shows how the park fee calculations would differ if they continue to be assessed on residential development only. Table 4 provides a summary of the maximum allowable fees that would be legally defensible. Table 5 indicates a further breakdown of the fees, if they were assessed by bedroom count.

Table 4: Maximum Allowable Park Impact Fees, Calculated
for Residential Development Only

<i>Type of Development</i>	<i>Existing Fee</i>	<i>Maximum Allowable Fee</i>
Residential		
Single-Family ¹	\$11,953	\$28,504
Multifamily	\$9,653	\$23,329
Mobile Home and Other	\$9,653	\$18,874

Notes:

1. Attached single-family homes are assessed a fee of \$11,395.

Source: Community Attributes, Inc.

Table 5: Maximum Allowable Park Impact
Fees by Unit Size, Residential Only

<i>Unit by Bedroom Count</i>	<i>Maximum Allowable Fee</i>
0 Bedrooms	\$6,277
1 Bedroom	\$9,828
2 Bedrooms	\$17,728
3 Bedrooms	\$30,959
4 or more Bedrooms	\$43,065

Source: Community Attributes, Inc.

Fee Comparisons with Neighboring Jurisdictions

Attachment VI compares Hayward's current and maximum allowable park impact fees to comparable fees in other nearby jurisdictions, including Oakland, San Leandro, Union City, Fremont, Dublin, Pleasanton, Livermore, San Mateo, and Alameda County.

For residential development, Hayward's existing fees are among the lowest for all jurisdictions, especially given that most other jurisdictions assess fees for capital facilities, traffic, and/or fire, which Hayward does not. The maximum allowable park fees that Hayward could assess are generally average to below average compared to the other jurisdictions.

For non-residential development, Hayward and Union City are the only jurisdictions that do not currently charge impact fees for parks, capital facilities, traffic, or fire. As Attachment VI shows, the maximum allowable park fees that Hayward could assess on non-residential development varies depending on the type of development. For example, the maximum allowable fees for retail development would be above average compared to neighboring jurisdictions, and the highest for park fees alone. However, for industrial development, the maximum allowable fees would be among the lowest.

Questions for Discussion and Staff Recommendations

Staff is seeking direction from the CEDC on the following questions before moving forward with the Park Nexus Study. Staff's initial recommendations are also provided, as appropriate.

1. Should park impact fees be applied to non-residential development?
Staff recommends that park impact fees be assessed on both residential and non-residential development, in accordance with the Mitigation Fee Act. This would ensure that non-residential development shares the cost of parkland development and would result in reduced fees for residential development. As shown in Attachment VI, several neighboring jurisdictions assess park impact fees on non-residential development.
2. Should park impact fees be reduced below the maximum allowable for any types of development? If so, which types and how much?
If park impact fees are applied to non-residential development, the CEDC may consider recommending a reduction in fees for some non-residential development types below the maximum allowable. Consideration should be given by the CEDC to recent concerns about the constructability of both residential and non-residential projects due to significant construction cost increases in the Bay Area market. The CEDC may also want to consider reducing the fees below the maximum in consideration of other potential impact fees that the City may want to impose.
3. Are there any types of development that should be exempt from park fees, such as accessory dwelling units (ADUs), affordable housing, senior housing, etc.?
Per Section 10-16.11 of the Hayward Municipal Code, the following types of development are currently exempt from park impact fees:

- Housing for the elderly or disabled, when the development is either owned by a public agency or leased to a public agency for a period of at least twenty (20) years, and when the development complies with the definition of housing for the elderly or disabled as defined by the U. S. Department of Housing and Urban Development;
- Rental housing owned by a private non-profit corporation with rents which on the average remain affordable, for a period of at least thirty (30) years, to households with incomes of no more than sixty (60) percent of area median income, adjusted for household size, as defined by the State of California Department of Housing and Community Development. Developers of such rental housing shall enter into a regulatory agreement with the City to be approved by the City Council, which shall guarantee the term of affordability;
- Ownership housing developed by a public agency or private non-profit housing developer which is affordable to first-time homebuyers with incomes of no more than ninety-five (95) percent of area median income, adjusted for household size, as defined by the State of California Department of Housing and Community Development. Owners within such ownership developments shall be required to provide a right of first refusal to the City or its designee to purchase the units upon resale; and
- Commercial and industrial subdivisions

Staff recommends that the CEDC consider also exempting Accessory Dwelling Units (ADUs) from park impact fees to make this housing type more affordable to develop. The CEDC may also consider expanding the types of affordable housing and senior housing exempt from park impact fees.

ECONOMIC IMPACT

It is conceivable that increasing park in-lieu fees would result in disincentives to developing in Hayward. However, as noted in Attachment VI and the Discussion above, the maximum allowable fees are generally in line with or in some cases, significantly less than similar fees being assessed in surrounding jurisdictions. Further, adequately funding the development of new parks to serve new population growth could serve to attract additional new development, which would lead to positive economic impacts.

FISCAL IMPACT

The Park Nexus Study, of which this report is a part, was included in the Planning Division Fiscal Year 2018 operating budget. The City is responsible for 50 percent of the total contract fees, while HARD is responsible for the other 50 percent.

Recalibrating the park in-lieu fee schedule will provide increased revenues to directly meet the needs of the growing community by adequately funding fiscal projects managed by HARD.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This item supports the following goal:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

NEXT STEPS

Based on feedback from the Committee, staff will work with the Consultant to refine the analysis and recommendations before presenting to the City Council and HARD Board at a joint meeting on June 18.

Prepared by: Elizabeth Blanton, AICP, Associate Planner

Recommended by: Laura Simpson, AICP, Development Services Director

Approved by:



Kelly McAdoo, City Manager

City of Hayward

Park Impact Fee Calculations

DISCUSSION DRAFT

April 12, 2019

GROWTH ESTIMATES

Impact fees are meant to have “growth pay for growth” so the first step in developing an impact fee is to quantify future growth in the City of Hayward. Growth estimates have been prepared for population and employment through the year 2040 in order to match the horizon year of the City’s General Plan.

Exhibit 1 lists Hayward’s population and growth rates from 2010 to 2018 and projections to the year 2040.

Exhibit 1. Population		
	Population	CAGR⁽¹⁾
2010	144,186	
2011	146,357	1.5%
2012	149,965	2.5%
2013	152,491	1.7%
2014	154,641	1.4%
2015	157,409	1.8%
2016	159,465	1.3%
2017	161,455	1.2%
2018	162,030	0.4%
2040	183,533	0.6%
Growth⁽²⁾	22,078	0.6%

(1) CAGR = Compound Annual Growth Rate.

(2) Growth = 2040 Population – 2018 Population.

Source for population:

- for years 2010 to 2018: California Department of Finance Population Estimates for Cities, Counties, and State; and
- for 2040: City of Hayward General Plan.

In addition to residential population growth, Hayward expects businesses to grow. Business development is included in this methodology because Hayward’s parks and recreation system serves both its residential population and employees. City parks provide places for employees and customers to take breaks from work and shopping, including restful breaks and/or active exercise to promote healthy living.

Exhibit 2 shows employment in Hayward from 2010 to 2018 and projected growth for the year 2040.

Exhibit 2. Employment		
	Employment CAGR⁽¹⁾	
2010	64,134	
2011	65,249	1.7%
2012	67,372	3.3%
2013	68,752	2.0%
2014	70,407	2.4%
2015	72,864	3.5%
2016	74,369	2.1%
2017	75,821	2.0%
2018	76,845	1.4%
2040	89,900	0.7%
Growth⁽²⁾	13,055	0.7%

(1) CAGR = Compound Annual Growth Rate.

(2) Growth = 2040 Employment – 2018 Employment.

Sources for employment:

- for years 2010 to 2017: Bureau of Labor Statistics, Local Area Unemployment Statistics, annual average employment;
- for 2018: Bureau of Labor Statistics, Local Area Unemployment Statistics, average of employment through November 2018 and preliminary employment estimates for December 2018; and
- for 2040: City of Hayward General Plan Background Report.

Exhibit 3 lists employment by industry in Hayward for 2018 and projections for the year 2040.

Exhibit 3. Employment by Industry

	2018	2040	CAGR ⁽¹⁾
Services	13,576	17,012	1.0%
Manufacturing	10,717	11,180	0.2%
Government	9,757	8,799	-0.5%
Healthcare	9,151	13,400	1.7%
Retail Trade	7,727	7,326	-0.2%
Wholesale Trade	7,456	7,861	0.2%
Construction & Resources	6,117	9,594	2.1%
Accommodations & Food Service	4,425	6,050	1.4%
TCU	4,369	4,806	0.4%
FIRE	2,653	2,558	-0.2%
Education	899	1,313	1.7%
Total	76,845	89,900	0.7%

(1) CAGR = Compound Annual Growth Rate.

Sources for employment:

- for 2018: employment by industry is estimated by allocating 2018 total employment from Exhibit 2 by the share of employment by industry from the Hayward General Plan; and
- for 2040: employment by industry is estimated by using growth rates by industry for the Oakland-Hayward-Berkeley MD from the California Employment Development Department and adjusted to projected total 2040 employment from Exhibit 2.

It is clear from Exhibits 1, 2 and 3 that Hayward expects growth of population and businesses in the future, so there is a rational basis for park impact fees that would have future growth pay for parks that are needed to provide appropriate levels of service to new development.

Population and employment are both expected to grow, but they should not be counted equally because employees and visitors spend less time in Hayward than residents, therefore they have less benefit from Hayward's parks. There is a well-established and widely-used technique for accounting for these differences in impact fees, and it involves "equivalency." Appendix A describes equivalency and explains how the "equivalent population coefficients" were developed for this study of park impact fees for the City of Hayward. The results allow business to pay its proportionate share of parks for growth based on the "equivalent population" that nonresidential development generates.

Exhibit 4 multiplies the equivalent population coefficients (from Appendix A) by the actual population and employment data from Exhibits 1 and 3 to calculate the "equivalent" population for the base year (2018), the horizon year (2040) and the growth between 2018 and 2040.

Exhibit 4. Growth of Equivalent Population

Land-Use Category	Equivalent Population Coefficient ⁽¹⁾	2018 Base Year Full Population ⁽²⁾	2018 Base Year Equivalent Population ⁽³⁾	2040 Base Year Full Population ⁽²⁾	2040 Horizon Year Equivalent Population ⁽³⁾	2018-2040 Growth Full Population ⁽⁴⁾	2018-2040 Growth Equivalent Population ⁽⁵⁾
Residential	0.94	162,030	151,903	183,533	172,062	21,503	20,159
Nonresidential							
Services	0.51	13,576	6,864	17,012	8,602	3,437	1,738
Manufacturing	0.58	10,717	6,223	11,180	6,493	464	269
Government	0.71	9,757	6,888	8,799	6,212	(958)	(676)
Healthcare	0.98	9,151	8,933	13,400	13,081	4,249	4,148
Retail Trade	2.00	7,727	15,481	7,326	14,677	(401)	(804)
Wholesale Trade	0.62	7,456	4,616	7,861	4,867	406	251
Construction & Resources	0.20	6,117	1,215	9,594	1,906	3,477	691
Accommodations & Food Service	1.04	4,425	4,601	6,050	6,292	1,626	1,690
TCU	0.60	4,369	2,623	4,806	2,886	437	263
FIRE	0.51	2,653	1,341	2,558	1,293	(95)	(48)
Education	0.54	899	482	1,313	703	413	221
Total	N/A	N/A	211,172	N/A	239,074	N/A	27,902

(1) From Appendix A Equivalent Population Coefficients.

(2) From Exhibits 1 and 3.

(3) Equivalent Population = Equivalent Population Coefficient x Full Population.

(4) 2018-2040 Growth Full Population = 2040 Full Population – 2018 Full Population.

(5) 2018-2040 Growth Equivalent Population = 2040 Equivalent Population – 2018 Equivalent Population.

The totals in Exhibit 4 provide the equivalent population for the purpose of development of park impact fees for Hayward. The total equivalent population for the base year (2018) is 211,172 and the horizon year (2040), is 239,074, therefore equivalent population growth between 2018 and 2040 is 27,902.

PARK IMPACT FEES

Overview

Impact fees for Hayward's parks use an inventory of the City's existing acreage and current equivalent population to determine the current level of service ratio for parks. The current level of service ratio is multiplied by the projected equivalent population growth to estimate the acres of parks needed to serve growth at the current level of service. The cost of park acquisition and development per acre is multiplied by the number of acres needed to serve growth at the current level of service to arrive at the investment in parks needed to serve growth. The investment needed for growth is then adjusted by the value of the remaining park in-lieu fee fund balance and estimated program administration costs to arrive at the investment to be paid by growth. The investment to be paid by growth is divided by the growth in equivalent population to arrive at the growth cost per equivalent population. The amount of the maximum allowable park impact fee is

determined by multiplying the growth cost per equivalent population by the equivalent population per unit for each type of development.

These steps are described below in the formulas, descriptions of variables, exhibits and explanations of calculations for parks impact fees. Throughout the chapter the term “person” is used as the short name that means equivalent population or equivalent person.

Formula 1: Parks Level of Service Ratio

The current level of service ratio is calculated by dividing the existing acreage of Hayward Area Recreation and Park District (HARD) parks in Hayward by the total current equivalent population in Hayward.

$$(1) \frac{\text{Existing Acres of Parks}}{\text{Current Equivalent Population}} = \text{Current Level of Service Ratio}$$

Equivalent population was described above and is explained in Appendix A. There is one new variable that requires explanation: (A) Existing Acres of Parks.

Variable (A): Existing Acres of Parks

The acreage of each park in Hayward, managed by HARD, is listed in Appendix B. The total existing parks acreage includes all existing parks and facilities in the following categories: Local Parks; Community Parks; Special Use Facilities; School Recreation Sites; and Linear Parks, Greenways and Trails. Appendix B additionally includes the total acreage in Hayward and the subtotal by category from the HARD Parks and Recreation Master Plan.

The total existing inventory of parks in the City of Hayward is 1,052.6 acres of parks. Exhibit 5 lists the total existing inventory of parks by category.

Exhibit 5. HARD Park Inventory in Hayward by Park Type, Acres, 2018

Type	Inventory
Local Parks	133.2
Community Parks	63.6
Special Use Facilities	232.4
School Recreation Sites	20.0
Linear Parks, Greenways and Trails	603.4
Total	1,052.6

Exhibit 6 lists the total existing inventory of parks and divides it by the current equivalent population of 211,172 (from Exhibit 4), divided by 1,000 to calculate the current level of service ratio of 4.98 acres of parks per 1,000 equivalent population.

Exhibit 6. Level of Service Ratio

Inventory	Current Equivalent Population	Level of Service Ratio
1,052.6 acres ÷	211,172	= 4.98 acres per 1,000 pop

Formula 2: Total Park Acres to Serve Growth

Impact fees must be related to the needs of growth. The first step in determining growth's needs is to calculate the total number of acres needed to serve growth with the same level of service ratio that benefits the current population. The acres of parks needed for growth are calculated by multiplying the level of service ratio by the equivalent population growth from 2018 to 2040 (divided by 1,000).

$$(2) \frac{\text{Current Level of Service Ratio}}{\text{Service Ratio}} \times \frac{\text{Growth of Equivalent Population}}{\text{Population}} = \frac{\text{Park Acres to Serve Growth}}{\text{to Serve Growth}}$$

There are no new variables used in Formula 2. Both variables were developed in previous formulas and exhibits.

Exhibit 7 shows the calculation of the total acres of parks needed for growth. The current level of service ratio is calculated in Exhibit 6. The growth in equivalent population is calculated in Exhibit 4. The result is that Hayward needs to add 139.1 acres of parks in order to serve the growth of 27,902 additional people who are expected to be added to the City's existing equivalent population.

Exhibit 7. Total Park Acres Needed for Growth

Level of Service Ratio	2018-2040 Growth	Total Park Acres Needed for Growth
4.98 acres per 1,000 pop x	27,902	= 139.1

Formula 3: Park Acres Needed for Growth

The park acres needed for growth is calculated by subtracting any existing reserve capacity from the total park acres needed to serve growth.

$$(3) \frac{\text{Total Park Acres Needed for Growth}}{\text{Needed for Growth}} - \frac{\text{Reserve Capacity}}{\text{Capacity}} = \frac{\text{Park Acres Needed for Growth}}{\text{for Growth}}$$

Total Park Acres Needed for Growth was described in Formula 2. There is one new variable that requires explanation: (B) Reserve Capacity.

Variable (B): Reserve Capacity

Existing reserve capacity includes any park acres that HARD has acquired in the City of Hayward and is holding in reserve to serve the needs of growth.

HARD and the City of Hayward have acquired 54.9 acres for the future La Vista Park, which will serve the needs of growth through 2040.

Exhibit 8 shows the calculation of the acres of parks that are needed for growth. The total acres of parks needed for growth (from Exhibit 7) is reduced by the value of existing reserve capacity, 54.9 acres, and the result shows that 84.2 acres of additional parks are needed to serve future growth.

Exhibit 8. Park Acres Needed for Growth

Total Park Acres Needed for Growth		Reserve Capacity		Park Acres Needed for Growth
139.1	-	54.9	=	84.2

Formula 4: Investment Needed for Growth

The second step in determining growth's needs is to calculate the total investment in parks needed for growth, or the total cost of parks land acquisition and development to serve growth with the same level of service ratio that benefits the current population. The investment needed for growth is calculated by multiplying the park cost per acre by the number of acres needed to serve growth.

$$(4) \frac{\text{Park Cost per Acre}}{\text{per Acre}} \times \frac{\text{Park Acres Needed for Growth}}{\text{Needed for Growth}} = \frac{\text{Investment Needed for Growth}}{\text{for Growth}}$$

There is one new variable used in Formula 4 that requires explanation: (C) Park Cost per Acre.

Variable (C): Park Cost per Acre

The park impact fees are based on costs per acre for land acquisition and development that will be provided by the Hayward Area Parks and Recreation District. The calculations for the weighted average cost per acre for land acquisition and development are shown in Appendix C. Park acquisition costs are based on recent purchases for property appropriate for park development by category in the HARD service area. Park development costs are based on recent cost estimates for park development by category provided by HARD. Exhibit 9 details the weighted average cost per acre for park land acquisition and development.

Exhibit 9. Park Acquisition and Development Cost per Acre

	Cost per Acre
Land Acquisition	\$690,098
Park Development	\$1,370,832
Total	\$2,060,930

Exhibit 10 shows the calculations for the investment needed for growth. The total park cost per acre for land acquisition and development (from Exhibit 9) is multiplied by the additional acres of parks needed for growth (from Exhibit 8) resulting in the investment needed for growth. The result is that the City, in coordination with the Hayward Area Recreation and Park District, will need to invest nearly \$173.5. million in impact fee eligible parks acquisition and development to serve growth through 2040.

Exhibit 10. Investment Needed for Growth

Park Cost per Acre		Park Acres Needed for Growth		Investment Needed for Growth
\$2,060,930	x	84.2	=	\$173,492,446

Formula 5: Investment to be Paid by Growth

The future investment in parks that needs to be paid by growth may be reduced if the City has other revenues that it can invest in its parks and may include an adjustment for the administration costs of the park impact fee program. Additionally, the investment in parks that needs to be paid by growth must be reduced by the current park in-lieu fee fund balance that will be used to pay for the capital costs of parks facilities to serve growth.

The City of Hayward and the Hayward Area Recreation and Parks District have indicated that there are no other sources of funding available to pay for the eligible costs for park acquisition and development to serve growth. The investment to be paid by growth is calculated by adding the investment needed for growth, the total park in-lieu fee fund balance and program administration costs together to arrive at the investment to be paid by growth.

$$\begin{array}{rclcl}
 \text{Investment} & & \text{Park In} - \text{Lieu} & & \text{Park Impact} & & \text{Investment} \\
 (5) \text{ Needed} & + & \text{Fee Fund} & + & \text{Fee Program} & = & \text{to by Paid} \\
 \text{for Growth} & & \text{Balance} & & \text{Administration} & & \text{by Growth}
 \end{array}$$

There are two new variables in Formula 5 that require explanation: (D) Park In-Lieu Fee Fund Balance and (E) Park Impact Fee Program Administration.

Variable (D): Park In-Lieu Fee Fund Balance

The City of Hayward has a remaining fund balance in each of their five existing park in-lieu fee accounts. These existing funds will be used to pay for the park capital facilities to serve new development in Hayward. The total balance across all funds as reported by the City of Hayward is \$8,664,918. The investment needed for growth must be reduced by the available park in-lieu fee fund balance.

Variable (E): Park Impact Fee Program Administration

Park impact fee program administration costs are estimated at 2% of total park costs for the administration of the park impact fee program, consistent with administration cost estimates used in many other California jurisdictions. Program administration costs are estimated by multiplying the investment needed for growth from Exhibit 10 by the 2% estimated for program administration, resulting in estimated program administration costs of nearly \$3.5 million.

Exhibit 11 shows the calculation for the investment to be paid by growth. The investment needed for growth (from Exhibit 10), existing park in-lieu fee fund balance and program administration costs are summed together to arrive at the investment to be paid by growth of \$168,297,377.

Exhibit 11. Investment to be Paid by Growth	
	Park Investment
Investment Needed for Growth	\$173,492,446
Park In-Lieu Fee Fund Balance	
Zone A	(\$2,064,920)
Zone B	(\$2,335,758)
Zone C	(\$2,681,902)
Zone D	(\$1,229,738)
Zone E	(\$352,599)
Total Available Park In-Lieu Fee Funds	(\$8,664,918)
Park Impact Fee Program Administration	\$3,469,849
Investment to be Paid by Growth	\$168,297,377

Formula 6: Growth Cost per Equivalent Person

The growth cost per equivalent person is calculated by dividing the investment in parks that is to be paid by growth by the amount of equivalent population growth.

$$(6) \frac{\text{Investment to be Paid by Growth}}{\text{Growth of Equivalent Population}} = \text{Growth Cost per Equivalent Population}$$

There are no new variables used in Formula 6. Both variables were developed in previous formulas.

Exhibit 12 shows the calculation of the cost per equivalent person for parks that needs to be paid by growth. The investment in parks to be paid by growth (from Exhibit 11) is divided by the growth in equivalent population (from Exhibit 4). The result shows the cost for parks to be paid by growth is \$6,031.64 per equivalent person.

Exhibit 12. Growth Cost per Equivalent Person

Investment to be Paid by Growth	2018-2040 Growth	Growth Cost per Equivalent Population
\$168,297,377	÷ 27,902	= \$6,031.64

Formula 7: Maximum Allowable Impact Fee per Unit of Development

The maximum allowable amount to be paid by each new development unit depends on the equivalent population coefficient and the population density by development type. The cost per unit of development is calculated by multiplying the growth cost per equivalent person by the equivalent population per unit for each type of development.

There is one new variable used in Formula 7 that requires explanation: (F) equivalent population per unit.

Variable (F): Equivalent Population per Unit

The equivalent population per unit is calculated by multiplying the equivalent population coefficient by the number of persons per unit of development, as shown in Appendix A. For residential development this is the number of persons per dwelling unit estimated from the U.S. Census American Community Survey 5-Year Estimates 2013-2017 for the City of Hayward. For nonresidential development, this is employees per square foot from the U.S. Energy Information Administration's Commercial Buildings Energy Consumption Survey.

Exhibit 13 shows the calculation of the maximum allowable parks impact fee per unit of development. The growth cost per equivalent person of \$6,031.64 from Exhibit 12 is multiplied by the equivalent population per unit (from Exhibit A8) to calculate the impact fee per unit of development for parks.

Exhibit 13. Maximum Allowable Park Impact Fee per Unit of Development

Type of Development	Growth Cost per Equivalent Population	Equivalent Population per Unit	Park Impact Fee per Unit
Residential			
Single-Family	\$6,031.64 x 3.33	dwelling unit =	\$20,056.11
Multifamily	\$6,031.64 x 2.72	dwelling unit =	\$16,414.66
Mobile Home and Other	\$6,031.64 x 2.20	dwelling unit =	\$13,280.05
Nonresidential			
Office/Other Commercial	\$6,031.64 x 0.0013	square foot =	\$7.88
Retail	\$6,031.64 x 0.0016	square foot =	\$9.72
Industrial	\$6,031.64 x 0.0001	square foot =	\$0.78
Government	\$6,031.64 x 0.0015	square foot =	\$9.00
Education	\$6,031.64 x 0.0005	square foot =	\$2.87

APPENDIX A. EQUIVALENT POPULATION COEFFICIENTS AND EQUIVALENT POPULATION PER UNIT

What is “Equivalency”

When governments analyze things that are different from each other, but which have something in common, they sometimes use “equivalency” as the basis for their analysis.

For example, many water and sewer utilities calculate fees based on an average residential unit, then they calculate fees for business users on the basis of how many residential units would be equivalent to the water or sewer service used by the business. This well-established and widely practiced method uses “equivalent residential unit” (ERUs) as the multiplier that uses the rate for one residence to calculate rates for businesses. If a business needs a water connection that is double the size of an average house, that business is 2.0 ERUs, and would pay fees that are 2.0 times the fee for an average residential unit.

Another use of “equivalency” that is used in public sector organizations is “full time equivalent” (FTE) employees. One employee who works full-time is 1.0 FTE. A half-time employee is 0.5 FTE. By adding up the FTE coefficients of all part-time employees, the total is the FTE (full-time equivalent) of all the full and part-time employees.

Equivalency and Park Impact Fees

Equivalency can be used to develop park impact fees that apply to new nonresidential development as well as residential development. Equivalent population coefficients for park impact fees use the same principles as ERUs or FTEs to measure differences among residential population and different kinds of businesses in their availability to benefit from Hayward’s parks. They document the nexus between parks and development by quantifying the differences among different categories of park users.

The analysis that calculates the equivalent population coefficients takes into account several factors and reports the result as a statistic that allows each category of business to include its share of growth based on the “equivalent population” that it generates. The “equivalency” calculation recognizes that employees and visitors have less time in Hayward to benefit from Hayward’s parks (in the same way that part-time employees spend less time on the job than full-time employees).

The equivalent population coefficients are used in two ways. First, they are multiplied by the number of employees in different types of businesses in Hayward to count employees and visitors to businesses as “equivalent

population” in Hayward. This provides a total population of residents, employees and visitors that will be used to calculate the park value per equivalent population. Second, the adjusted park cost per equivalent population is multiplied by the equivalent population coefficients for each business type and the number of persons per dwelling unit to calculate the impact fee for each type of development.

Calculation of Equivalent Population Coefficients for Park Impact Fees

There are two parts to the equivalent population coefficient: (1) employees and residents and (2) visitors.

Exhibit A1¹ presents the data for the following factors used in analyzing employees and residents: the number of days per week and hours per day that different types of locations are typically in use, the percent of hours that the populations are typically at the location and the resulting number of hours per week that each employee or resident is in their residential or business location in Hayward and therefore proximate to Hayward’s parks.

¹ The original version of Exhibits A1 through A3 were developed by Dr. Arthur C. Nelson, a leading scholar and researcher in the field of impact fees. The table appeared in Nelson’s 2004 *Planner’s Estimating Guide*. The underlying employee data has been updated to the 2008 edition of *Trip Generation* by the Institute of Transportation Engineers.

Exhibit A1. Resident and Employee Hours in Location

Land-Use Category	Residents and Employees			
	Days per Week at Location ⁽¹⁾	Hours per Day at Location ⁽¹⁾	Percent of Time at Location ⁽¹⁾	Hours in Location per Person ⁽²⁾
Residential Population	7	15.00	75%	78.75
Employee Population				
Services	5	9.00	80%	36.00
Manufacturing	5	9.00	100%	45.00
Government	5	9.00	80%	36.00
Healthcare	7	9.00	100%	63.00
Retail Trade	7	9.00	100%	63.00
Wholesale Trade	5	9.00	100%	45.00
Construction & Resources	5	9.00	25%	11.25
Accommodations & Food Service	7	9.00	100%	63.00
TCU ⁽³⁾	5	9.00	100%	45.00
FIRE ⁽⁴⁾	5	9.00	80%	36.00
Education	5	9.00	100%	45.00

(1) Assumptions from Planner's Estimating Guide.

(2) Hours in Location per Person = (# days per week x # hours per day x % of time at location)

(3) FIRE = Finance, Insurance and Real Estate

(4) TCU = Transportation, Communication and Utilities

Exhibit A2 presents the data for the following factors used in analyzing visitors: the number of days per week that different types of businesses are typically open, the number of hours that visitors are typically at the business location, the number of visitors per employee at different types of businesses and the resulting number of visitor hours per employee that visitors are in the business location in Hayward and therefore proximate to Hayward's parks.

Exhibit A2. Visitor Hours in Location (per Employee)

Land-Use Category	Visitors		
	Hours per Day at Location ⁽¹⁾	Visitors per Employee ⁽²⁾	Visitor Hours in Location per Employee ⁽³⁾
Residential Population	na	na	na
Employee Population			
Services	1	1.2948	6.4740
Manufacturing	1	0.7560	3.7800
Government	1	4.6605	23.3025
Healthcare	2	1.3572	19.0008
Retail Trade	1	15.0424	105.2968
Wholesale Trade	1	1.4004	7.0020
Construction & Resources	1	1.0872	5.4360
Accommodations & Food Service	1	3.4788	24.3516
TCU	1	1.0872	5.4360
FIRE	1	1.2948	6.4740
Education	na	na	na

(1) Assumptions from Planner's Estimating Guide.

(2) Visitors per Employee from Planner's Estimating Guide. This does not include tourists for which no data is available that measures tourists per employee by type of business.

(3) Visitor Hours in Location per Employee = (# days per week x # hours per day x # visitors per employee).

Exhibit A3 presents the last step in calculating the equivalent population coefficient for different types of businesses and residential populations. Employee hours are added to visitor hours per employee for each type of business. The total is divided by 84 hours per week. Parks are considered a "daytime" public facility that is assumed to be available 12 hours per day, 7 days per week for a total of 84 hours². The result of this calculation is the daytime equivalent population coefficient for each type of business and resident. The daytime equivalent population per unit is used in Exhibit 4 to calculate the current and forecasted and growth in equivalent population.

² By way of comparison, police and fire facilities are considered to be "24-hour" public facilities, therefore 24 x 7= 168 hours for their equivalent population coefficient calculations.

Exhibit A3. Equivalent Population Coefficients

Land-Use Category	Total		
	Total Hours in Location ⁽¹⁾	Daytime Hours ⁽²⁾	Daytime Equivalent Population Coefficient ⁽³⁾
Residential Population	78.7500	84	0.9375
Employee Population			
Services	42.4740	84	0.5056
Manufacturing	48.7800	84	0.5807
Government	59.3025	84	0.7060
Healthcare	82.0008	84	0.9762
Retail Trade	168.2968	84	2.0035
Wholesale Trade	52.0020	84	0.6191
Construction & Resources	16.6860	84	0.1986
Accommodations & Food Service	87.3516	84	1.0399
TCU	50.4360	84	0.6004
FIRE	42.4740	84	0.5056
Education	45.0000	84	0.5357

(1) *Total Hours in Location = Hours in Location per Person (from Exhibit A1) + Visitor Hours in Location per Employee (from Exhibit A2).*

(2) *Daytime Equivalent Population Coefficient = Total Hours in Location per Employee ÷ Daytime Hours (84).*

As noted previously, the equivalent population coefficient is multiplied by the employment and population in Hayward to calculate the total equivalent population in Hayward as shown in Exhibit 4.

Calculation of Equivalent Population per Unit

In order to convert the growth cost per equivalent person to the maximum allowable impact fee rate per unit of development, it is necessary to calculate a measure of equivalent population per unit of development. Exhibit A8 shows the calculation of the equivalent population per unit.

For the first step in the equivalent population per unit, the equivalent population coefficients for nonresidential development are combined into five more general weighted average land use categories. Exhibit A4 presents the calculation of the weighted coefficients for each land use category.

Exhibit A4. Weighted Average Equivalent Population Coefficients

Land-Use Category	Growth of Equivalent Population (1)	% Total (2)	Coefficient (3)	Weighted Coefficient (4)
Services	1,738	23.1%	0.5056	0.1167
Healthcare	4,148	55.1%	0.9762	0.5379
Accommodations & Food Service	1,690	22.5%	1.0399	0.2335
FIRE	(48)	-0.6%	0.5056	-0.0032
Office/Other Commercial	7,529	100.0%		0.8849
Retail (5)				2.0035
Manufacturing	269	3.6%	0.5807	0.0208
Wholesale Trade	251	3.3%	0.6191	0.0207
Construction & Resources	691	9.2%	0.1986	0.0182
TCU	263	3.5%	0.6004	0.0209
Industrial	1,474	19.6%		0.0806
Government (5)				0.7060
Education (5)				0.5357

(1) From Exhibit 4.

(2) Percent Total = Growth of Equivalent Population ÷ Total Growth of Equivalent Population by Land Use Category.

(3) From Exhibit A3.

(4) Weighted Coefficient = % Total x Coefficient. The weighted coefficient by Land Use Category is the sum of individual subcategory weighted coefficients.

(5) Coefficients for Retail, Government and Education are from Exhibit A3.

The weighted average equivalent population coefficients by land use category from Exhibit A4 and the residential population coefficient from Exhibit A3 are multiplied by a measure of population per unit.

The measure of population per unit for residential development types is the number of persons per dwelling unit, calculated for single family, multifamily and mobile home dwelling units using the number of occupied dwelling units by unit type and estimated population by unit type from the 2013-2017 American Community Survey 5-Year Estimates for Hayward, California, shown in Exhibit A5. Tables from the American Community Survey used in the analysis include Selected Housing Characteristics and Tenure by Household Size by Units in Structure.

Exhibit A5. Persons per Dwelling Unit

Persons per Dwelling Unit	
Single-family	3.55
Multifamily	2.90
Mobile Home and Other	2.35
Total	3.27

The measure of population per unit for nonresidential development is the square feet per employee for each type of development based on the U.S. Energy Information Administration's Commercial Buildings Energy Consumption Survey³, converted to square feet per employee by industry, shown in Exhibit A6.

Exhibit A6. Square Feet per Employee and Employees per Square Foot

	Square Feet per Employee	Employees per Square Foot ⁽¹⁾
Services (2)	780	0.0013
Manufacturing (3)	1,193	0.0008
Government (4)	473	0.0021
Healthcare (5)	546	0.0018
Retail Trade (6)	1,243	0.0008
Wholesale Trade (7)	1,843	0.0005
Construction & Resources (4)	473	0.0021
Accommodations & Food Service (8)	1,212	0.0008
TCU (4)	473	0.0021
FIRE (4)	473	0.0021
Education (9)	1,124	0.0009
Weighted Average ⁽¹⁰⁾	900	0.0011

(1) *Employees per square foot = 1 ÷ square feet per employee.*

(2) *Services is the average square feet per employee from the Services and Office activity categories.*

(3) *Manufacturing is matched to the square feet per employee from the Other category.*

(4) *Government, Construction & Resources, TCU and FIRE were matched to the Office activity category.*

(5) *Healthcare is matched to the Health Care activity category.*

(6) *Retail Trade is matched with the Mercantile category.*

(7) *Wholesale Trade is matched with the Warehouse and Storage activity category.*

(8) *Accommodations & Food Service is the average of the Lodging and Food Service activity categories.*

(9) *Education is matched to the Education category.*

(10) *The weighted average square feet per employee is weighted by current employment by industry from Exhibit 3.*

The square feet per employee are combined into give more general land use categories, following the desired structure for the impact fee rates as shown in Exhibit A7. The employees per square feet (from Exhibit A6) are combined into a weighted average square feet per employee, weighted on equivalent population growth by category from Exhibit 4.

³ Sourced from the U.S. Energy Information Administration Commercial Buildings Energy Consumption Survey,
<https://www.eia.gov/consumption/commercial/data/2012/bc/cfm/b1.php>.

Exhibit A7. Weighted Average Employees per Square Foot

	Growth of Equivalent Population (1)	% Total (2)	Employees per Square Foot (3)	Weighted Employees per Square Foot (4)
Services	1,738	23.1%	0.0013	0.0003
Healthcare	4,148	55.1%	0.0018	0.0010
Accommodations & Food Service	1,690	22.5%	0.0008	0.0002
FIRE	(48)	-0.6%	0.0021	0.0000
Office/Other Commercial	7,529	100.0%		0.0015
Retail (5)				0.0008
Manufacturing	269	18.3%	0.0008	0.0002
Wholesale Trade	251	17.0%	0.0005	0.0001
Construction & Resources	691	46.9%	0.0021	0.0010
TCU	263	17.8%	0.0021	0.0004
Industrial	1,474	100.0%		0.0016
Government (5)				0.0021
Education (5)				0.0009

(1) From Exhibit 4.

(2) Percent Total = Growth of Equivalent Population ÷ Total Growth of Equivalent Population by Land Use Category

(3) From Exhibit A6.

(4) Weighted Employees per Square Foot = % Total x Employees per Square Foot. Weighted employees per square foot by Land Use Category is the sum of individual subcategory weighted employees per square foot.

(5) Employees per Square Foot for Retail, Government and Education are from Exhibit A6.

Exhibit A8 shows the calculation for the equivalent population per unit. The equivalent population coefficient, from Exhibit A4 is multiplied by the population per unit from Exhibits A5 and A7, resulting in the equivalent population per unit.

Exhibit A8. Equivalent Population per Unit

Type of Development	Equivalent Population Coefficient ⁽¹⁾	Population per Unit ⁽²⁾	Unit	Equivalent Population per Unit ⁽³⁾
Residential				
Single-Family	0.9375	3.55	dwelling unit	3.33
Multifamily	0.9375	2.90	dwelling unit	2.72
Mobile Home and Other	0.9375	2.35	dwelling unit	2.20
Nonresidential				
Office/Other Commercial	0.8849	0.0015	square foot	0.0013
Retail	2.0035	0.0008	square foot	0.0016
Industrial	0.0806	0.0016	square foot	0.0001
Government	0.7060	0.0021	square foot	0.0015
Education	0.5357	0.0009	square foot	0.0005

(1) Equivalent Population Coefficient from Exhibit A4.

(2) Population per unit from Exhibits A5 and A7.

(3) Equivalent Population per Unit = Equivalent Population Coefficient x Population per Unit.

The equivalent population per unit is multiplied by the growth cost per equivalent person in Exhibit 12 to calculate the maximum allowable park impact fee rates for residential and nonresidential development in Hayward.

APPENDIX B. INVENTORY OF EXISTING PARKS

The 2019 Hayward Area Recreation and Park District Parks Master Plan provides a detailed inventory of existing acres throughout the HARD service area, including a detailed inventory of parks in the City of Hayward as of 2018. The parks system in Hayward currently consists of 1,052.6 acres of parks in total. This includes 133.2 acres of Local Parks, 63.6 acres of Community Parks, 232.4 acres of Special Use Facilities, 20.0 acres of School Recreation Sites and 603.4 acres of Linear Parks, Greenways and Trails.

Exhibit B1. HARD Local Parks Inventory in the City of Hayward, 2018

Park Name	Acres
Sorensdale Park	12.7
J.A. Lewis Park	12.6
Centennial Park	11.6
Bidwell Park	10.5
Cannery Park	8.9
Birchfield Park	5.8
Gordon E. Oliver Eden Shores Park	5.6
Old Highlands Park	5.6
Canyon View Park	5.4
Rancho Arroyo Park	4.8
Palma Ceia Park	4.5
Christian Penke Park	4.2
Ruus Park	4.1
College Heights Park	3.9
Greenwood Park	3.5
Eldridge Park	3.4
Silver Star Veterans Park	3.3
Jalquin Vista Park	3.2
Gansberger Park	2.9
Longwood Park	2.9
Fairway Greens Park	2.5
Spring Grove Park	2.3
Stonybrook Park	2.3
Twin Bridges Park	2.1
Stratford Village Park	1.9
Schafer Park	1.3
Bechtel Mini Park	0.8
Haymont Mini Park	0.4
La Placita Park	0.2
Subtotal Local Parks	133.2

Detailed parks inventory from Table 3-1 of the Draft HARD Parks and Recreation Master Plan.

**Exhibit B2. HARD Community Parks, Special Use Facilities, School
Recreation Sites and Linear Parks, Greenways and Trails Inventory in the
City of Hayward, 2018**

Park Name	Acres
Kennedy Park	14.5
Memorial Park	2.9
Mt. Eden Park	14.1
Southgate Park	8.8
Tennyson Park	9.6
Weekes Park	13.7
Subtotal Community Parks	63.6
Alden E. Oliver Sports Park	25.6
Children's Park at Giuliana Plaza	0.2
Douglas Morrison Theater	0.5
HARD District Office	3.6
Hayward Area Senior Center	0.2
Hayward Community Gardens	4.8
Hayward Plunge	1.2
Japanese Gardens	3.6
Mission Hills of Hayward Golf Course	57.8
Shoreline Interpretive Center	0.4
Skywest Golf Course	126.5
Southgate Community Center	0.3
Sunset Park/Swim Center	6.7
Weekes Park Community Center	1.0
Subtotal Special Use Facilities	232.4
Stonebrae Elementary School	9.1
Bret Harte Play Field	5.0
El Rancho Verde Park	3.3
Brenkwitz High School	2.6
Subtotal School Recreation Sites	20.0
Eden Greenway	36.1
Greenbelt Riding & Hiking Trail	148.0
Hayward Plunge Greenway Trail	30.4
Hayward Shoreline Open Space and Trails	349.0
Nuestro Parquecito	2.3
Taper Park	37.6
Subtotal Linear Parks, Greenways and Trails	603.4
Total	1,052.6

Detailed parks inventory from Table 3-1 of the Draft HARD Parks and Recreation Master Plan.

APPENDIX C. PARKS LAND ACQUISITION AND DEVELOPMENT COST PER ACRE

Park impact fees are based on a total cost of parks that are needed to serve growth with the same level of service ratio that benefits the current population. In order to provide a defensible and accurate estimate for the cost of park land acquisition and park development cost per acre, the Hayward Area Recreation and Park District provided information on recent land purchases, as well as recent cost estimates for park development, by park category, detailed in Exhibits C1 and C2. All acquisition and development costs for previous years are adjusted to reflect 2019 dollars using a 3% inflation rate, as provided by HARD staff.

Local Parks, Community Parks, Special use Facilities and School Recreation Sites are combined into a single category for the costs of land acquisition. HARD staff provided feedback that the types of land required for these three categories are of parks are similar. Linear Parks, Greenways and Trails have very different acquisition costs, as demonstrated by the acquisition cost for the Valley View property.

Exhibit C1. Parks Land Acquisition Cost per Acre

Property	City	Acquisition Cost ⁽¹⁾	Acreage	Cost per Acre ⁽²⁾
Local Parks, Community Parks, Special Use Facilities and School Recreation Sites				
Bidwell School Property	Hayward	\$6,300,000	5.3	\$1,188,679
Mateo Properties	San Leandro	\$2,700,000	1.4	\$1,888,112
Via Toledo	San Lorenzo	\$2,262,271	2.0	\$1,148,361
Boston Road Property	Hayward	\$788,075	1.0	\$788,075
Average Cost per Acre				\$1,253,307
Linear Parks, Greenways and Trails				
Valley View (EMBUD property)	Castro Valley	\$6,499,632	24.0	\$270,818

(1) Data on purchase price provided by HARD staff. This reflects the purchase price for each property inflated to 2019 dollars based on a 3% inflation rate provided by HARD staff.

(2) Cost per acre = Acquisition Cost ÷ Acreage.

Exhibit C2. Parks Development Cost per Acre

Park	City	Acreage	Cost per Acre (1)
Local Parks			
Via Toledo Park (2)	San Lorenzo	2.0	\$2,100,000
West Evergreen (3)	San Jose	1.0	\$1,223,000
Stojanovich Family Park (3)	Campbell	1.1	\$1,033,094
Commodor (3)	San Jose	2.5	\$1,012,186
N Rengstorff (3)	Mountain View	1.0	\$1,008,000
31 St & Alum Rock (3)	San Jose	1.7	\$834,300
Porto Park (3)	Elk Grove	1.3	\$546,364
Average Cost per Acre			\$1,108,135
Community Parks			
Memorial Park (Design & Construction) (4)	Hayward	2.9	\$1,738,943
Del Monte (3)	San Jose	4.2	\$1,123,323
San Lorenzo Community Park Renovation (5)	San Lorenzo	30.9	\$1,118,719
Weekes Community Park Renovation (6)	Hayward	13.7	\$990,633
Creekside Sports Park (3)	Los Gatos	3.0	\$785,686
McClatchy Park (3)	Sacramento	3.8	\$732,661
Vista Montana (3)	San Jose	5.0	\$668,669
Springlake N3 (3)	Santa Rosa	7.0	\$484,078
La Vista Park (6)	Hayward	54.9	\$390,715
Cordelia Park - Phase 3 (3)	Fairfield	8.5	\$398,845
Corderos Park (3)	Vacaville	7.2	\$227,287
Valley Oak Park (3)	Sacramento	9.3	\$232,319
Average Cost per Acre			\$740,990
Special Use Facilities			
Hayward Area Senior Center Renovation (7)	Hayward	0.26	\$15,480,845
Hayward Community Gardens - Phase 1 (2)	Hayward	2.0	\$619,756
Kennedy Park (2)	Hayward	13.3	\$1,353,383
Average Cost per Acre			\$5,817,995
School Recreation Site			
Canyon Middle School Sports Complex (8)	Castro Valley		\$764,909
Creekside Middle School Sports Complex (8)	Castro Valley		\$764,909
El Rancho Verde Park (6)	Hayward	3.3	\$1,655,647
Average Cost per Acre			\$1,061,822
Trails (9)			
Pen Creek - Reach 1 (3)		0.3	\$3,132,899
Iron Horse Trail (3)		0.4	\$3,928,709
San Tomas Spur (3)		1.1	\$3,388,770
Cross Alameda Trail (10)		0.5	\$6,490,440
Wavecrest Trail (10)		0.3	\$1,615,935
Average Cost per Acre			\$3,711,351

(1) Cost per Acre provided by HARD staff. Details for each specific project are noted below. All development costs are converted to 2019 dollars from the year of development assuming a

- 3% inflation rate provided by HARD staff.
- (2) Data provided by HARD staff.
 - (3) Data provided by HARD staff, sourced from Callander Associates Landscape Architecture.
 - (4) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements and does not include the costs for a renovation master plan.
 - (5) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements as outlined in Phase 1 and Phase 2.
 - (6) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements.
 - (7) Data provided by HARD staff. Costs were provided per square foot, which were converted to acres for consistency.
 - (8) Cost per acre estimates provided by HARD staff. The costs provided were used to develop the overall cost estimates in the 2017-2020 adopted CIP, inflated to 2019 dollars using an assumed 3% inflation rate provided by HARD staff.
 - (9) Cost for trails provided in cost per linear foot. Linear feet were converted to acres assuming an average trail width of six feet.
 - (10) Data provided by HARD staff, sourced from PlaceWorks Inc.

The average cost per acre for parks acquisition and development by category are weighted by current acres by type in order to arrive at a development cost reflective of the cost for parks acquisition and development to serve growth at the same level of service as the existing population. Exhibits C3 and C4 demonstrate the calculations to arrive at a weighted average cost per acre for parks acquisition and development.

Exhibit C3. Weighted Average Park Acquisition Cost per Acre

Park Type	Current Acres (1)	% Total (2)	Average Acquisition Cost per Acre (3)	Weighted Average Acquisition Cost per Acre (4)
Local Parks, Community Parks, Special use Facilities and School Recreation Sites	449.2	42.7%	\$1,253,307	\$534,852
Linear Parks, Greenways and Trails	603.4	57.3%	\$270,818	\$155,246
Total	1,052.6	100.0%		\$690,098

- (1) Current Acres are from Exhibit 6.
- (2) Percent Total = Current Acres by Category ÷ Total Acres.
- (3) Average Acquisition Cost per Acre from Exhibit C1.
- (4) Weighted Average Acquisition Cost per Acre = % Total x Average Acquisition Cost per Acre.
Total Weighted Average Acquisition Cost per Acre is the sum of Weighted Average Cost per Acre by category.

Exhibit C4. Weighted Average Park Development Cost per Acre

Park Type	Current Acres (1)	% Total (2)	Average Development Cost per Acre (3)	Weighted Average Development Cost per Acre (4)
Local Parks	133.2	12.7%	\$1,108,135	\$140,228
Community Parks	63.6	6.0%	\$740,990	\$44,772
Special Use Facilities	232.4	22.1%	\$5,817,995	\$1,284,535
School Recreation Sites	20.0	1.9%	\$1,061,822	\$20,175
Trails (5)	6.1	0.6%	\$3,711,351	\$21,350
Open Space (6)	597.3	56.7%	\$0	\$0
Total	1,052.6	100.0%		\$1,370,832

(1) Current Acres from Exhibit 6.

(2) Percent Total = Current Acres by Category ÷ Total Acres.

(3) Average Development Cost per Acre from Exhibit C2.

(4) Weighted Average Development Cost per Acre = % Total x Average Development Cost per Acre. Total Weighted Average Acquisition Cost per Acre is the sum of Weighted Average Cost per Acre by category.

(5) Trails represent the portion of the Linear Parks, Greenways and Trails category that are developed as trails. Estimates are based on the miles of trails for each park within the category, converted to acres based on an assumed average trail width of six feet.

(6) Open Space represents the remaining undeveloped portion of the Linear Parks, Greenways and Trails category. Development costs are assumed at \$0 per acre.

City of Hayward

Alternative Park Impact Fee Rate Structure

DISCUSSION DRAFT

April 12, 2019

One alternative option for the Park Impact Fees for the City of Hayward is to develop residential rates per dwelling unit based on the number of bedrooms per unit (Exhibit 2). Exhibit 1 demonstrates the average number of persons per dwelling unit based on the number of bedrooms per unit. This data is estimated based on U.S. Census Bureau American Housing Survey data for the San Francisco-Oakland-Hayward MSA for 2017 and are adjusted to the City of Hayward using persons per dwelling unit for the City of Hayward and the San Francisco-Oakland-Hayward MSA from the U.S. Census American Community Survey 1-Year Estimates.

Exhibit 1. Persons per Unit by Number of Bedrooms

Number of Bedrooms	Persons per Dwelling Unit
None	0.78
1	1.22
2	2.21
3	3.85
4 or more	5.36
Total	3.11

Exhibit 2. Maximum Allowable Park Impact Fee per Unit

Type of Development	Growth Cost per Equivalent Population	Equivalent Population per Unit	Park Impact Fee per Unit
Residential			
0 Bedrooms	\$6,031.64 x 0.73	dwelling unit =	\$4,416.39
1 Bedroom	\$6,031.64 x 1.15	dwelling unit =	\$6,915.18
2 Bedrooms	\$6,031.64 x 2.07	dwelling unit =	\$12,474.13
3 Bedrooms	\$6,031.64 x 3.61	dwelling unit =	\$21,783.71
4 or more Bedrooms	\$6,031.64 x 5.02	dwelling unit =	\$30,301.40
Nonresidential			
Office/Other Commercial	\$6,031.64 x 0.0013	square foot =	\$7.88
Retail	\$6,031.64 x 0.0016	square foot =	\$9.72
Industrial	\$6,031.64 x 0.0001	square foot =	\$0.78
Government	\$6,031.64 x 0.0015	square foot =	\$9.00
Education	\$6,031.64 x 0.0005	square foot =	\$2.87

City of Hayward

Residential Only Park Impact Fee Calculations

DISCUSSION DRAFT

April 19, 2019

GROWTH ESTIMATES

Impact fees are meant to have “growth pay for growth” so the first step in developing an impact fee is to quantify future growth in the City of Hayward. Growth estimates have been prepared for the City of Hayward’s population through the year 2040 in order to match the horizon year of the City’s General Plan.

Exhibit 1 lists Hayward’s population and growth rates from 2010 to 2018 and projections to the year 2040.

Exhibit 1. Population		
	Population	CAGR⁽¹⁾
2010	144,186	
2011	146,357	1.5%
2012	149,965	2.5%
2013	152,491	1.7%
2014	154,641	1.4%
2015	157,409	1.8%
2016	159,465	1.3%
2017	161,455	1.2%
2018	162,030	0.4%
2040	183,533	0.6%
Growth⁽²⁾	22,078	0.6%

(1) CAGR = Compound Annual Growth Rate.

(2) Growth = 2040 Population – 2018 Population.

Source for population:

- for years 2010 to 2018: California Department of Finance Population Estimates for Cities, Counties, and State; and
- for 2040: City of Hayward General Plan.

It is clear from Exhibit 1 that Hayward expects growth of population in the future, so there is a rational basis for park impact fees that would have future growth pay for parks that are needed to provide appropriate levels of service to new development. The total population for the base year (2018) is 162,030, for the horizon year (2040) is 183,533, therefore growth between 2018 and 2040 is 22,078.

PARK IMPACT FEES

Overview

Impact fees for Hayward's parks use an inventory of the City's existing acreage and population to determine the current level of service ratio for parks. The current level of service ratio is multiplied by the projected population growth to estimate the acres of parks needed to serve growth at the current level of service. The number of acres needed to serve growth is reduced by the number of acres of parks that are already held in reserve for growth. The cost of park acquisition and development per acre is multiplied by the number of acres needed to serve growth at the current level of service to arrive at the investment in parks needed to serve growth. The investment needed for growth is then adjusted by the value of the remaining park in-lieu fee fund balance and estimated program administration costs to arrive at the investment to be paid by growth. The investment to be paid by growth is divided by the growth in population to arrive at the growth cost per person. The amount of the maximum allowable park impact fee is determined by multiplying the growth cost per person by the persons per unit for each type of development.

These steps are described below in the formulas, descriptions of variables, exhibits and explanations of calculations for parks impact fees.

Formula 1: Parks Level of Service Ratio

The current level of service ratio is calculated by dividing the existing acreage of Hayward Area Recreation and Park District (HARD) parks in Hayward by the total current population in Hayward.

$$(1) \frac{\text{Existing Acres of Parks}}{\text{Current Population}} = \text{Current Level of Service Ratio}$$

The current population was described above. There is one new variable that requires explanation: (A) Existing Acres of Parks.

Variable (A): Existing Acres of Parks

The acreage of each park in Hayward, managed by HARD, is listed in Appendix A. The total existing parks acreage includes all existing parks and facilities in the following categories: Local Parks; Community Parks; Special Use Facilities; School Recreation Sites; and Linear Parks, Greenways and Trails. Appendix A additionally includes the total acreage in Hayward and the subtotal by category from the HARD Parks and Recreation Master Plan.

The total existing inventory of parks in the City of Hayward is 1,052.6 acres of parks. Exhibit 2 lists the total existing inventory of parks by category.

Exhibit 2. HARD Park Inventory in Hayward by Park Type, Acres, 2018

Type	Inventory
Local Parks	133.2
Community Parks	63.6
Special Use Facilities	232.4
School Recreation Sites	20.0
Linear Parks, Greenways and Trails	603.4
Total	1,052.6

Exhibit 3 lists the total existing inventory of parks and divides it by the current population of 162,030 (from Exhibit 1), divided by 1,000 to calculate the current level of service ratio of 6.50 acres of parks per 1,000 population.

Exhibit 3. Level of Service Ratio

Inventory	Current Population	Level of Service Ratio
1,052.6 acres ÷	162,030	= 6.50 acres per 1,000 pop

Formula 2: Total Park Acres to Serve Growth

Impact fees must be related to the needs of growth. The first step in determining growth's needs is to calculate the total number of acres needed to serve growth with the same level of service ratio that benefits the current population. The acres of parks needed for growth are calculated by multiplying the level of service ratio by the population growth from 2018 to 2040 (divided by 1,000).

$$(2) \frac{\text{Current Level of Service Ratio}}{\text{Service Ratio}} \times \frac{\text{Growth of Population}}{\text{Population}} = \frac{\text{Park Acres to Serve Growth}}{\text{to Serve Growth}}$$

There are no new variables used in Formula 2. Both variables were developed in previous formulas and exhibits.

Exhibit 4 shows the calculation of the total acres of parks needed for growth. The current level of service ratio is calculated in Exhibit 3. The growth in population is calculated in Exhibit 1. The result is that Hayward needs to add 143.4 acres of parks in order to serve the growth of 22,078 additional people who are expected to be added to the City's existing population.

Exhibit 4. Total Park Acres Needed for Growth

Level of Service Ratio	2018-2040 Growth	Total Park Acres Needed for Growth
6.50 acres per 1,000 pop x	22,078	= 143.4

Formula 3: Park Acres Needed for Growth

The park acres needed for growth is calculated by subtracting any existing reserve capacity from the total park acres needed to serve growth.

$$(3) \frac{\text{Total Park Acres Needed for Growth}}{\text{Needed for Growth}} - \frac{\text{Reserve Capacity}}{\text{Capacity}} = \frac{\text{Park Acres Needed for Growth}}{\text{for Growth}}$$

Total Park Acres Needed for Growth was described in Formula 2. There is one new variable that requires explanation: (B) Reserve Capacity.

Variable (B): Reserve Capacity

Existing reserve capacity includes any park acres that HARD has acquired in the City of Hayward and is holding in reserve to serve the needs of growth. HARD and the City of Hayward have acquired 54.9 acres for the future La Vista Park, which will serve the needs of growth through 2040.

Exhibit 5 shows the calculation of the acres of parks that are needed for growth. The total acres of parks needed for growth (from Exhibit 4) is reduced by the value of existing reserve capacity, 54.9 acres, and the result shows that 88.5 acres of additional parks are needed to serve future growth.

Exhibit 5. Park Acres Needed for Growth

Total Park Acres Needed for Growth		Reserve Capacity		Park Acres Needed for Growth
143.4	-	54.9	=	88.5

Formula 4: Investment Needed for Growth

The second step in determining growth's needs is to calculate the total investment in parks needed for growth, or the total cost of parks land acquisition and development to serve growth with the same level of service ratio that benefits the current population. The investment needed for growth is calculated by multiplying the park cost per acre by the number of acres needed to serve growth.

$$(4) \frac{\text{Park Cost per Acre}}{\text{per Acre}} \times \frac{\text{Park Acres Needed for Growth}}{\text{Needed for Growth}} = \frac{\text{Investment Needed for Growth}}{\text{for Growth}}$$

There is one new variable used in Formula 4 that requires explanation: (C) Park Cost per Acre.

Variable (C): Park Cost per Acre

The park impact fees are based on costs per acre for land acquisition and development that will be provided by the Hayward Area Parks and Recreation District. The calculations for the weighted average cost per acre

for land acquisition and development are shown in Appendix B. Park acquisition costs are based on recent purchases for property appropriate for park development by category in the HARD service area. Park development costs are based on recent cost estimates for park development by category provided by HARD. Exhibit 6 details the weighted average cost per acre for park land acquisition and development.

Exhibit 6. Park Acquisition and Development Cost per Acre

	Cost per Acre
Land Acquisition	\$690,098
Park Development	\$1,370,832
Total	\$2,060,930

Exhibit 7 shows the calculations for the investment needed for growth. The total park cost per acre for land acquisition and development (from Exhibit 6) is multiplied by the additional acres of parks needed for growth (from Exhibit 5) resulting in the investment needed for growth. The result is that the City, in coordination with the Hayward Area Recreation and Park District, will need to invest more than \$182.4. million in impact fee eligible parks acquisition and development to serve growth through 2040.

Exhibit 7. Investment Needed for Growth

Park Cost per Acre		Park Acres Needed for Growth		Investment Needed for Growth
\$2,060,930	x	88.5	=	\$182,445,732

Formula 5: Investment to be Paid by Growth

The future investment in parks that needs to be paid by growth may be reduced if the City has other revenues that it can invest in its parks and may include an adjustment for the administration costs of the park impact fee program. Additionally, the investment in parks that needs to be paid by growth must be reduced by the current park in-lieu fee fund balance that will be used to pay for the capital costs of parks facilities to serve growth.

The City of Hayward and the Hayward Area Recreation and Parks District have indicated that there are no other sources of funding available to pay for the eligible costs for park acquisition and development to serve growth. The investment to be paid by growth is calculated by adding the investment needed for growth, the total park in-lieu fee fund balance and program administration costs together to arrive at the investment to be paid by growth.

$$\begin{array}{rclcl}
 \text{Investment} & & \text{Park In – Lieu} & & \text{Park Impact} & & \text{Investment} \\
 (5) \text{ Needed} & + & \text{Fee Fund} & + & \text{Fee Program} & = & \text{to by Paid} \\
 \text{for Growth} & & \text{Balance} & & \text{Administration} & & \text{by Growth}
 \end{array}$$

There are two new variables in Formula 5 that require explanation: (D) Park In-Lieu Fee Fund Balance and (E) Park Impact Fee Program Administration.

Variable (D): Park In-Lieu Fee Fund Balance

The City of Hayward has a remaining fund balance in each of their five existing park in-lieu fee accounts. These existing funds will be used to pay for the park capital facilities to serve new development in Hayward. The total balance across all funds as reported by the City of Hayward is \$8,664,918. The investment needed for growth must be reduced by the available park in-lieu fee fund balance.

Variable (E): Park Impact Fee Program Administration

Park impact fee program administration costs are estimated at 2% of total park costs for the administration of the park impact fee program, consistent with administration cost estimates used in many other California jurisdictions. Program administration costs are estimated by multiplying the investment needed for growth from Exhibit 7 by the 2% estimated for program administration, resulting in estimated program administration costs of more than \$3.6 million.

Exhibit 8 shows the calculation for the investment to be paid by growth. The investment needed for growth (from Exhibit 7), existing park in-lieu fee fund balance and program administration costs are summed together to arrive at the investment to be paid by growth of \$177,429,729.

Exhibit 8. Investment to be Paid by Growth	
	Park Investment
Investment Needed for Growth	\$182,445,732
Park Fund Balance	
Zone A	(\$2,064,920)
Zone B	(\$2,335,758)
Zone C	(\$2,681,902)
Zone D	(\$1,229,738)
Zone E	(\$352,599)
<i>Total Available Park In-Lieu Fee Funds</i>	<i>(\$8,664,918)</i>
Park Impact Fee Program Administration	\$3,648,914.64
Investment to be Paid by Growth	\$177,429,729

Formula 6: Growth Cost per Person

The growth cost per person is calculated by dividing the investment in parks that is to be paid by growth by the amount of population growth.

$$(6) \frac{\text{Investment to be Paid by Growth}}{\text{Growth of Population}} = \frac{\text{Growth Cost per Person}}$$

There are no new variables used in Formula 6. Both variables were developed in previous formulas.

Exhibit 9 shows the calculation of the cost per person for parks that needs to be paid by growth. The investment in parks to be paid by growth (from Exhibit 8) is divided by the growth in population (from Exhibit 4). The result shows the cost for parks to be paid by growth is \$8,036.49 per person.

Exhibit 9. Growth Cost per Person				
Investment to be Paid by Growth		2018-2040 Growth		Growth Cost per Person
\$177,429,729	÷	22,078	=	\$8,036.49

Formula 7: Maximum Allowable Impact Fee per Unit of Development

The maximum allowable amount to be paid by each new development unit depends on the persons per dwelling unit by type. The cost per unit of development is calculated by multiplying the growth cost per person by the persons per dwelling unit for each type of development.

There is one new variable used in Formula 7 that requires explanation: (F) persons per dwelling unit.

Variable (F): Persons per Dwelling Unit

The number of persons per dwelling unit is the factor used to convert the growth cost per person into impact fees per unit of development. The growth cost per person (from Exhibit 9) is multiplied by the average number of persons per dwelling unit to calculate the impact fee per dwelling unit for parks.

The number of persons per dwelling unit in the City of Hayward are 3.55 persons per single-family dwelling unit, 2.90 persons per multifamily unit and 2.35 persons per mobile home or other type of unit. The number of persons per dwelling unit are calculated using the number of occupied dwelling units by unit type and estimated population by unit type from the 2013-2017 American Community Survey 5-Year Estimates for Hayward, California. Tables from the American Community Survey used in the analysis include Selected Housing Characteristics and Tenure by Household Size by Units in Structure.

Exhibit 10 shows the calculation of the maximum allowable parks impact fee per unit of development. The growth cost per person of \$8,036.49 from Exhibit 9 is multiplied by the average persons per dwelling unit to calculate the impact fee per unit of development for parks.

Exhibit 10. Maximum Allowable Park Impact Fee per Unit of Development

Type of Development	Growth Cost per Person		Persons per Dwelling Unit		Park Impact Fee per Unit
Single-Family	\$8,036.49	x	3.55 dwelling unit	=	\$28,504.07
Multifamily	\$8,036.49	x	2.90 dwelling unit	=	\$23,328.78
Mobile Home and Other	\$8,036.49	x	2.35 dwelling unit	=	\$18,873.82

APPENDIX A. INVENTORY OF EXISTING PARKS

The 2019 Hayward Area Recreation and Park District Parks Master Plan provides a detailed inventory of existing acres throughout the HARD service area, including a detailed inventory of parks in the City of Hayward as of 2018. The parks system in Hayward currently consists of 1,052.6 acres of parks in total. This includes 133.2 acres of Local Parks, 63.6 acres of Community Parks, 232.4 acres of Special Use Facilities, 20.0 acres of School Recreation Sites and 603.4 acres of Linear Parks, Greenways and Trails.

Exhibit A1. HARD Local Parks Inventory in the City of Hayward, 2018

Park Name	Acres
Sorensdale Park	12.7
J.A. Lewis Park	12.6
Centennial Park	11.6
Bidwell Park	10.5
Cannery Park	8.9
Birchfield Park	5.8
Gordon E. Oliver Eden Shores Park	5.6
Old Highlands Park	5.6
Canyon View Park	5.4
Rancho Arroyo Park	4.8
Palma Ceia Park	4.5
Christian Penke Park	4.2
Ruus Park	4.1
College Heights Park	3.9
Greenwood Park	3.5
Eldridge Park	3.4
Silver Star Veterans Park	3.3
Jalquin Vista Park	3.2
Gansberger Park	2.9
Longwood Park	2.9
Fairway Greens Park	2.5
Spring Grove Park	2.3
Stonybrook Park	2.3
Twin Bridges Park	2.1
Stratford Village Park	1.9
Schafer Park	1.3
Bechtel Mini Park	0.8
Haymont Mini Park	0.4
La Placita Park	0.2
Subtotal Local Parks	133.2

Detailed parks inventory from Table 3-1 of the Draft HARD Parks and Recreation Master Plan.

**Exhibit A2. HARD Community Parks, Special Use Facilities, School
Recreation Sites and Linear Parks, Greenways and Trails Inventory in the
City of Hayward, 2018**

Park Name	Acres
Kennedy Park	14.5
Memorial Park	2.9
Mt. Eden Park	14.1
Southgate Park	8.8
Tennyson Park	9.6
Weekes Park	13.7
Subtotal Community Parks	63.6
Alden E. Oliver Sports Park	25.6
Children's Park at Giuliana Plaza	0.2
Douglas Morrison Theater	0.5
HARD District Office	3.6
Hayward Area Senior Center	0.2
Hayward Community Gardens	4.8
Hayward Plunge	1.2
Japanese Gardens	3.6
Mission Hills of Hayward Golf Course	57.8
Shoreline Interpretive Center	0.4
Skywest Golf Course	126.5
Southgate Community Center	0.3
Sunset Park/Swim Center	6.7
Weekes Park Community Center	1.0
Subtotal Special Use Facilities	232.4
Stonebrae Elementary School	9.1
Bret Harte Play Field	5.0
El Rancho Verde Park	3.3
Brenkwitz High School	2.6
Subtotal School Recreation Sites	20.0
Eden Greenway	36.1
Greenbelt Riding & Hiking Trail	148.0
Hayward Plunge Greenway Trail	30.4
Hayward Shoreline Open Space and Trails	349.0
Nuestro Parquecito	2.3
Taper Park	37.6
Subtotal Linear Parks, Greenways and Trails	603.4
Total	1,052.6

Detailed parks inventory from Table 3-1 of the Draft HARD Parks and Recreation Master Plan.

APPENDIX B. PARKS LAND ACQUISITION AND DEVELOPMENT COST PER ACRE

Park impact fees are based on a total cost of parks that are needed to serve growth with the same level of service ratio that benefits the current population. In order to provide a defensible and accurate estimate for the cost of park land acquisition and park development cost per acre, the Hayward Area Recreation and Park District provided information on recent land purchases, as well as recent cost estimates for park development, by park category, detailed in Exhibits B1 and B2. All acquisition and development costs for previous years are adjusted to reflect 2019 dollars using a 3% inflation rate, as provided by HARD staff.

Local Parks, Community Parks, Special use Facilities and School Recreation Sites are combined into a single category for the costs of land acquisition. HARD staff provided feedback that the types of land required for these three categories are of parks are similar. Linear Parks, Greenways and Trails have very different acquisition costs, as demonstrated by the acquisition cost for the Valley View property.

Exhibit B1. Parks Land Acquisition Cost per Acre

Property	City	Acquisition Cost ⁽¹⁾	Acreage	Cost per Acre ⁽²⁾
<i>Local Parks, Community Parks, Special Use Facilities and School Recreation Sites</i>				
Bidwell School Property	Hayward	\$6,300,000	5.3	\$1,188,679
Mateo Properties	San Leandro	\$2,700,000	1.4	\$1,888,112
Via Toledo	San Lorenzo	\$2,262,271	2.0	\$1,148,361
Boston Road Property	Hayward	\$788,075	1.0	\$788,075
Average Cost per Acre				\$1,253,307
<i>Linear Parks, Greenways and Trails</i>				
Valley View (EMBUD property)	Castro Valley	\$6,499,632	24.0	\$270,818

(1) Data on purchase price provided by HARD staff. This reflects the purchase price for each property inflated to 2019 dollars based on a 3% inflation rate provided by HARD staff.

(2) Cost per acre = Acquisition Cost ÷ Acreage.

Exhibit B2. Parks Development Cost per Acre

Park	City	Acreage	Cost per Acre (1)
Local Parks			
Via Toledo Park (2)	San Lorenzo	2.0	\$2,100,000
West Evergreen (3)	San Jose	1.0	\$1,223,000
Stojanovich Family Park (3)	Campbell	1.1	\$1,033,094
Commodor (3)	San Jose	2.5	\$1,012,186
N Rengstorff (3)	Mountain View	1.0	\$1,008,000
31 St & Alum Rock (3)	San Jose	1.7	\$834,300
Porto Park (3)	Elk Grove	1.3	\$546,364
Average Cost per Acre			\$1,108,135
Community Parks			
Memorial Park (Design & Construction) (4)	Hayward	2.9	\$1,738,943
Del Monte (3)	San Jose	4.2	\$1,123,323
San Lorenzo Community Park Renovation (5)	San Lorenzo	30.9	\$1,118,719
Weekes Community Park Renovation (6)	Hayward	13.7	\$990,633
Creskide Sports Park (3)	Los Gatos	3.0	\$785,686
McClatchy Park (3)	Sacramento	3.8	\$732,661
Vista Montana (3)	San Jose	5.0	\$668,669
Springlake N3 (3)	Santa Rosa	7.0	\$484,078
La Vista Park (6)	Hayward	54.9	\$390,715
Cordelia Park - Phase 3 (3)	Fairfield	8.5	\$398,845
Corderos Park (3)	Vacaville	7.2	\$227,287
Valley Oak Park (3)	Sacramento	9.3	\$232,319
Average Cost per Acre			\$740,990
Special Use Facilities			
Hayward Area Senior Center Renovation (7)	Hayward	0.26	\$15,480,845
Hayward Community Gardens - Phase 1 (2)	Hayward	2.0	\$619,756
Kennedy Park (2)	Hayward	13.3	\$1,353,383
Average Cost per Acre			\$5,817,995
School Recreation Site			
Canyon Middle School Sports Complex (8)	Castro Valley		\$764,909
Creskide Middle School Sports Complex (8)	Castro Valley		\$764,909
El Rancho Verde Park (6)	Hayward	3.3	\$1,655,647
Average Cost per Acre			\$1,061,822
Trails (9)			
Pen Creek - Reach 1 (3)		0.3	\$3,132,899
Iron Horse Trail (3)		0.4	\$3,928,709
San Tomas Spur (3)		1.1	\$3,388,770
Cross Alameda Trail (10)		0.5	\$6,490,440
Wavecrest Trail (10)		0.3	\$1,615,935
Average Cost per Acre			\$3,711,351

(1) Cost per Acre provided by HARD staff. Details for each specific project are noted below. All development costs are converted to 2019 dollars from the year of development assuming a

- 3% inflation rate provided by HARD staff.
- (2) Data provided by HARD staff.
 - (3) Data provided by HARD staff, sourced from Callander Associates Landscape Architecture.
 - (4) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements and does not include the costs for a renovation master plan.
 - (5) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements as outlined in Phase 1 and Phase 2.
 - (6) Data sourced from the adopted 2017-2020 CIP, inflated to 2019 dollars. This includes only the portion of the project focused on design and construction of new improvements.
 - (7) Data provided by HARD staff. Costs were provided per square foot, which were converted to acres for consistency.
 - (8) Cost per acre estimates provided by HARD staff. The costs provided were used to develop the overall cost estimates in the 2017-2020 adopted CIP, inflated to 2019 dollars using an assumed 3% inflation rate provided by HARD staff.
 - (9) Cost for trails provided in cost per linear foot. Linear feet were converted to acres assuming an average trail width of six feet.
 - (10) Data provided by HARD staff, sourced from PlaceWorks Inc.

The average cost per acre for parks acquisition and development by category are weighted by current acres by type in order to arrive at a development cost reflective of the cost for parks acquisition and development to serve growth at the same level of service as the existing population. Exhibits B3 and B4 demonstrate the calculations to arrive at a weighted average cost per acre for parks acquisition and development.

Exhibit B3. Weighted Average Park Acquisition Cost per Acre

Park Type	Current Acres (1)	% Total (2)	Average Acquisition Cost per Acre (3)	Weighted Average Acquisition Cost per Acre (4)
Local Parks, Community Parks, Special use Facilities and School Recreation Sites	449.2	42.7%	\$1,253,307	\$534,852
Linear Parks, Greenways and Trails	603.4	57.3%	\$270,818	\$155,246
Total	1,052.6	100.0%		\$690,098

- (1) Current Acres are from Exhibit 2.
- (2) Percent Total = Current Acres by Category ÷ Total Acres.
- (3) Average Acquisition Cost per Acre from Exhibit B1.
- (4) Weighted Average Acquisition Cost per Acre = % Total x Average Acquisition Cost per Acre.
Total Weighted Average Acquisition Cost per Acre is the sum of Weighted Average Cost per Acre by category.

Exhibit B4. Weighted Average Park Development Cost per Acre

Park Type	Current Acres (1)	% Total (2)	Average Development Cost per Acre (3)	Weighted Average Development Cost per Acre (4)
Local Parks	133.2	12.7%	\$1,108,135	\$140,228
Community Parks	63.6	6.0%	\$740,990	\$44,772
Special Use Facilities	232.4	22.1%	\$5,817,995	\$1,284,535
School Recreation Sites	20.0	1.9%	\$1,061,822	\$20,175
Trails (5)	6.1	0.6%	\$3,711,351	\$21,350
Open Space (6)	597.3	56.7%	\$0	\$0
Total	1,052.6	100.0%		\$1,370,832

(1) Current Acres from Exhibit 2.

(2) Percent Total = Current Acres by Category ÷ Total Acres.

(3) Average Development Cost per Acre from Exhibit B2.

(4) Weighted Average Development Cost per Acre = % Total x Average Development Cost per Acre. Total Weighted Average Acquisition Cost per Acre is the sum of Weighted Average Cost per Acre by category.

(5) Trails represent the portion of the Linear Parks, Greenways and Trails category that are developed as trails. Estimates are based on the miles of trails for each park within the category, converted to acres based on an assumed average trail width of six feet.

(6) Open Space represents the remaining undeveloped portion of the Linear Parks, Greenways and Trails category. Development costs are assumed at \$0 per acre.

City of Hayward

Residential Only Alternative Park Impact Fee Rate Structure

DISCUSSION DRAFT

April 22, 2019

One alternative option for the Park Impact Fees for the City of Hayward is to develop residential rates per dwelling unit based on the number of bedrooms per unit (Exhibit 2). Exhibit 1 demonstrates the average number of persons per dwelling unit based on the number of bedrooms per unit. This data is estimated based on U.S. Census Bureau American Housing Survey data for the San Francisco-Oakland-Hayward MSA for 2017 and are adjusted to the City of Hayward using persons per dwelling unit for the City of Hayward and the San Francisco-Oakland-Hayward MSA from the U.S. Census American Community Survey 1-Year Estimates.

Exhibit 1. Persons per Unit by Number of Bedrooms

Number of Bedrooms	Persons per Dwelling Unit
None	0.78
1	1.22
2	2.21
3	3.85
4 or more	5.36
Total	3.11

Exhibit 2. Maximum Allowable Park Impact Fee per Unit

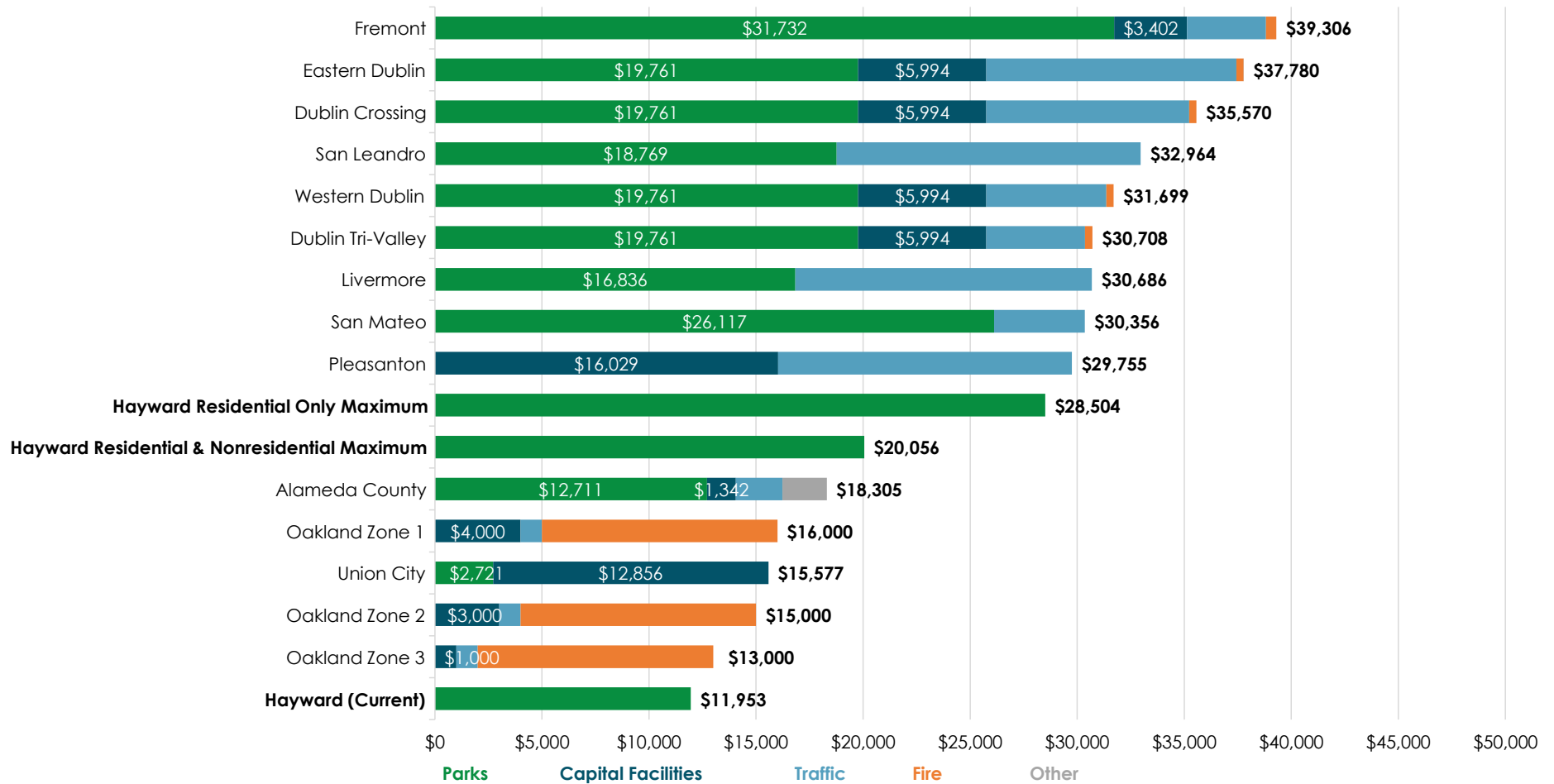
Type of Development	Growth Cost per Person		Persons per Dwelling Unit	Park Impact Fee per Unit
None	\$8,036.49	x	0.78 dwelling unit =	\$6,276.64
1	\$8,036.49	x	1.22 dwelling unit =	\$9,827.96
2	\$8,036.49	x	2.21 dwelling unit =	\$17,728.43
3	\$8,036.49	x	3.85 dwelling unit =	\$30,959.36
4 or more	\$8,036.49	x	5.36 dwelling unit =	\$43,064.84



City of Hayward

Impact Fee Comparisons by Selected Cities

Residential - Four Bedroom Single Family Dwelling Unit (2,200 square feet)



Notes:

Affordable Housing Impact or In-Lieu Fees are not included in this comparison as the fees vary greatly in application by jurisdiction. Additionally, all water and sewer impact or connection fees are excluded.

Union City also has a park land dedication requirement of 3 acres per 1,000 persons, but the in-lieu fees are calculated individually.

The fee classified as Other in Alameda County is a public safety impact fee.

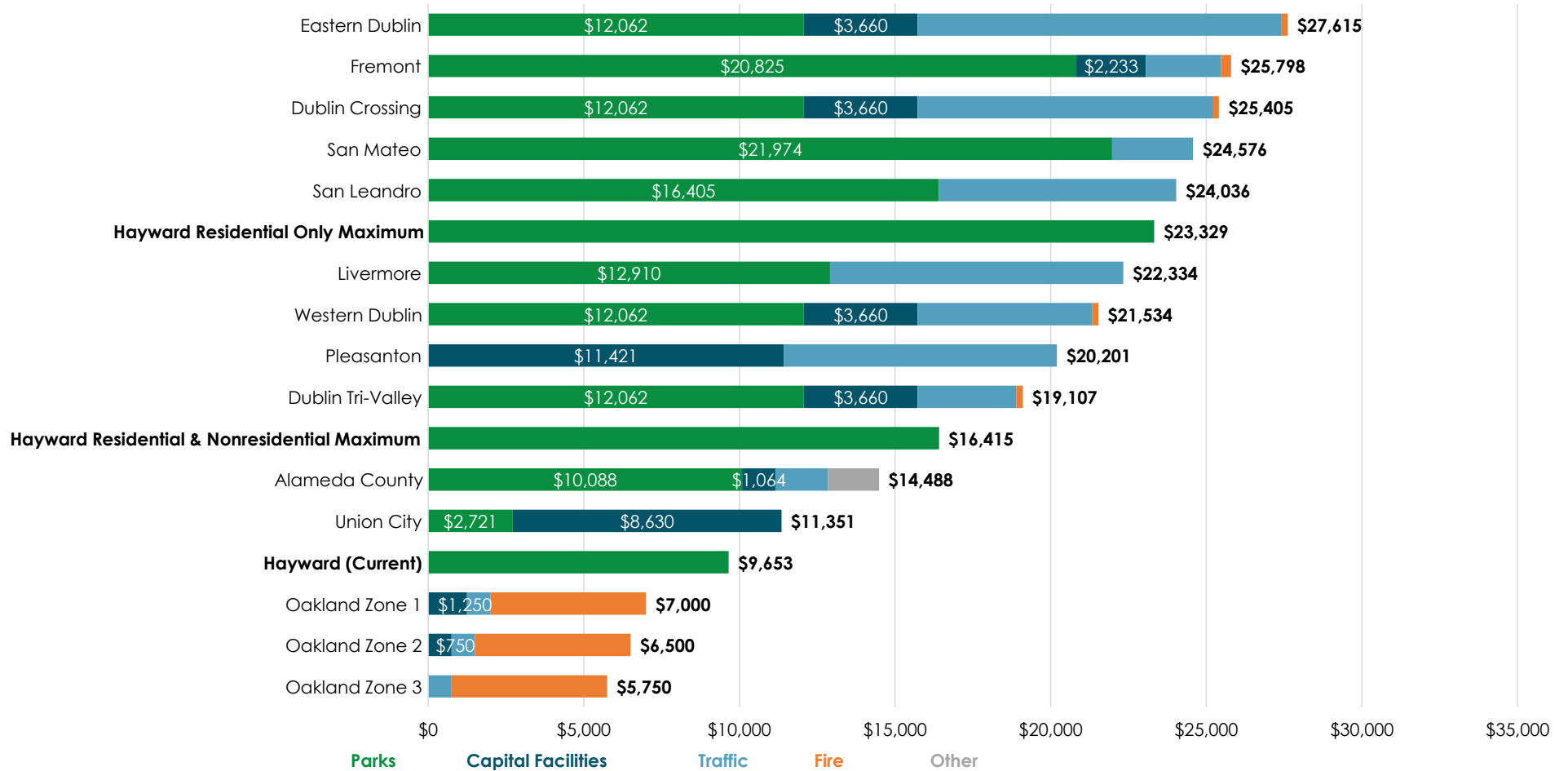
Oakland and San Leandro each have on residential impact fee calculated per square foot, in these cases the fee is calculated based on a 2,200 square foot residence.



City of Hayward

Impact Fee Comparisons by Selected Cities

Residential - Two Bedroom Multi-Family Dwelling Unit (1,000 square feet)



Notes:

connection fees are excluded.

Union City also has a park land dedication requirement of 3 acres per 1,000 persons, but the in-lieu fees are calculated individually.

The fee classified as Other in Alameda County is a public safety impact fee.

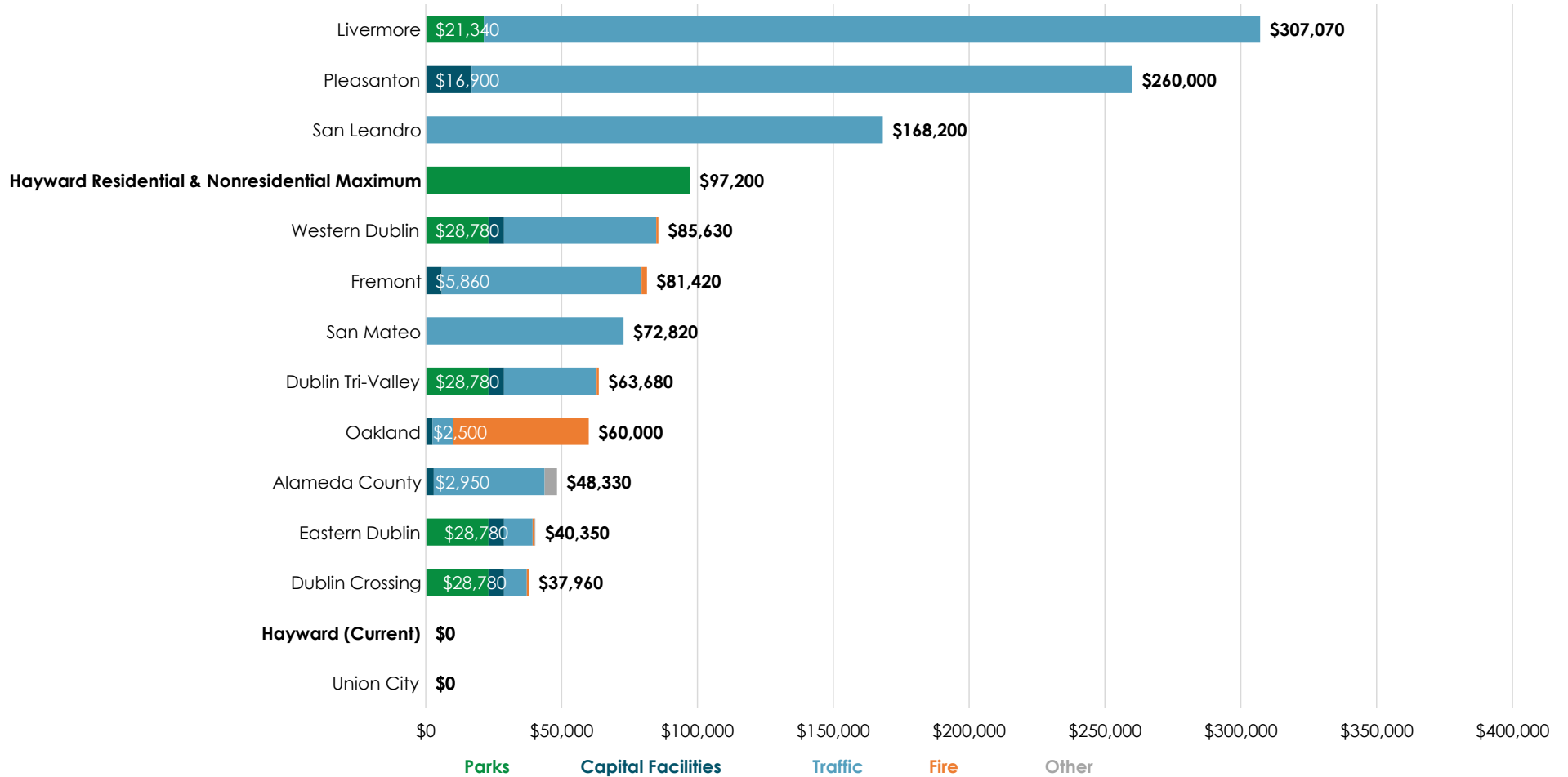
Oakland and San Leandro each have on residential impact fee calculated per square foot, in these cases the fee is calculated based on a 1,000 square foot residence.



City of Hayward

Impact Fee Comparisons by Selected Cities

Nonresidential - 10,000 Square Foot Retail Facility



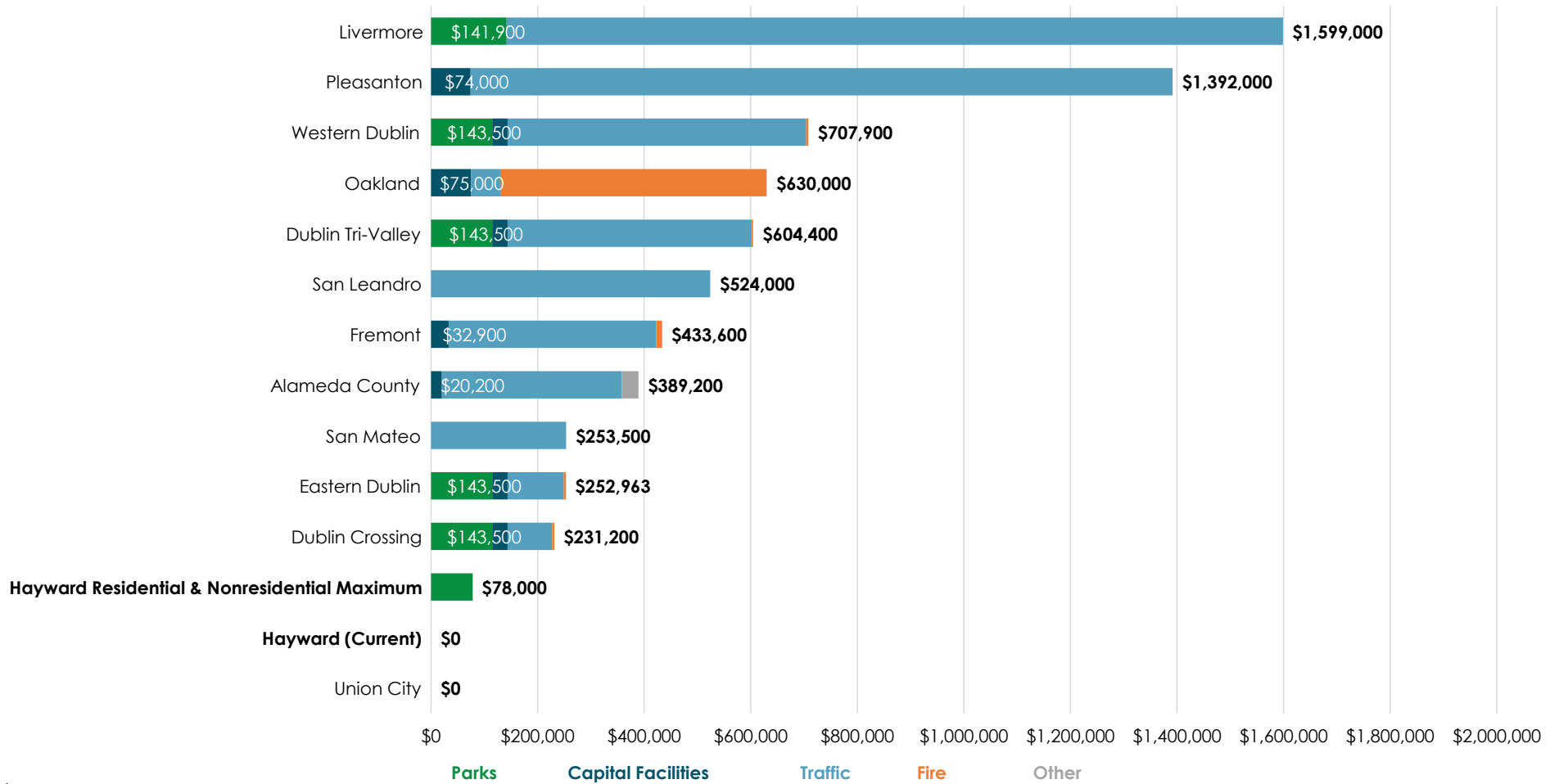
Notes:
connection fees are excluded.
Labels represent the combined fee for parks and capital facilities and the **total** fee.
The fee classified as Other in Alameda County is a public safety impact fee.



City of Hayward

Impact Fee Comparisons by Selected Cities

Nonresidential - 100,000 Square Foot Industrial Facility



Notes:

connection fees are excluded.

Labels represent the combined fee for parks and capital facilities and the **total** fee.

The fee classified as Other in Alameda County is a public safety impact fee.



CITY OF HAYWARD

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

File #: RPT 19-283

DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT

Update on Vacancy Rates and Trends for Different Property Types

That the Committee reviews the vacancy rates and other data point trends and provides any feedback.

SUMMARY

The attached presentation is a summary of vacancy rates, rent prices, sales data, and other data points for office, industrial, retail, and multi-family residential property types. The presentation includes both current information as well as 10-year historical data.

ATTACHMENTS

Attachment I Presentation

Vacancy Rates and Property Trends

May 6, 2019





Property types

- Office
- Industrial
- Retail
- Multi-family residential

Property Data Points

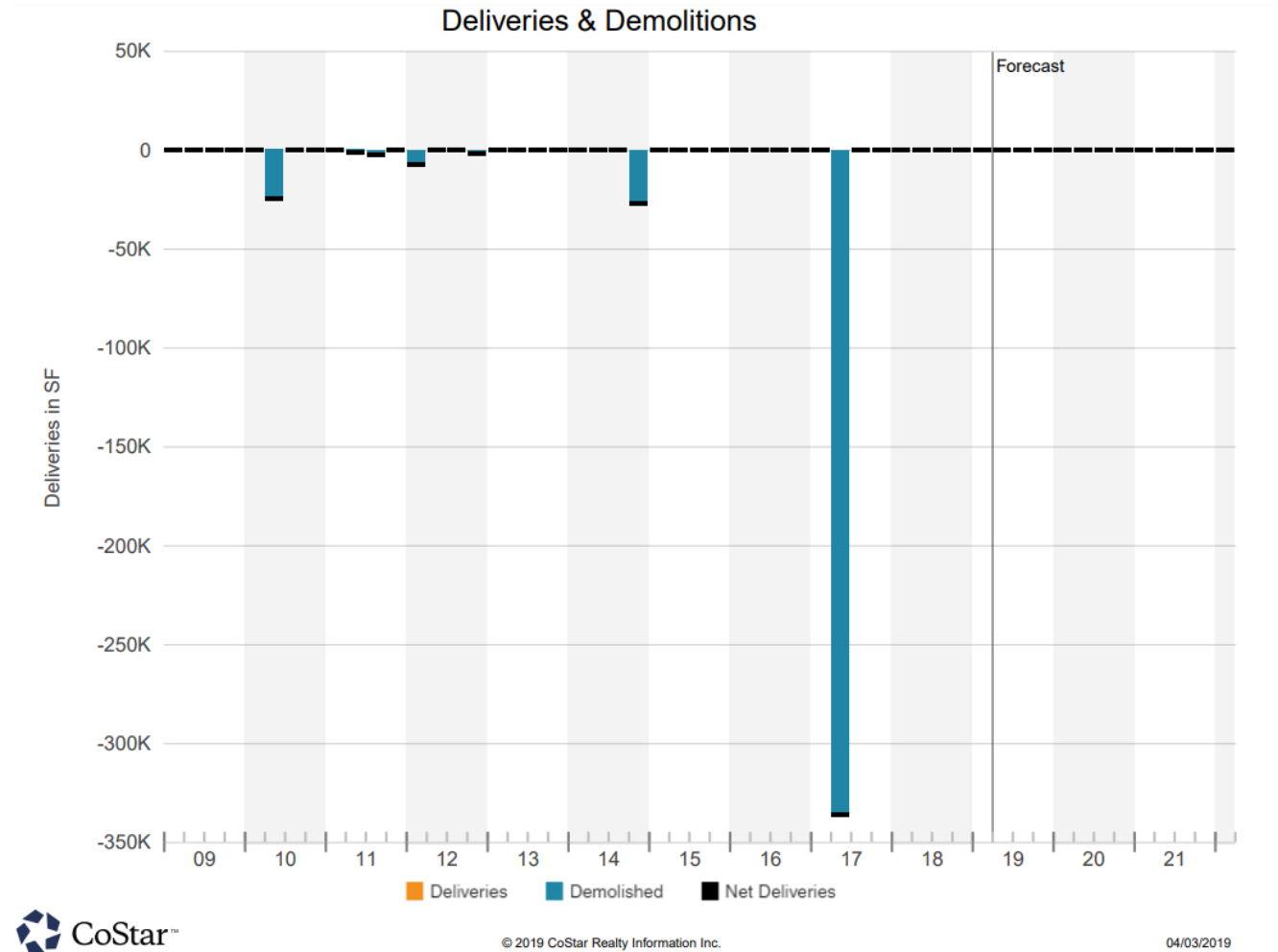


- Total leasable space
- Vacancy Rate
- Rent per square foot or unit
- Absorption Rate
- New Construction
- Sales Price

All data provided by CoStar

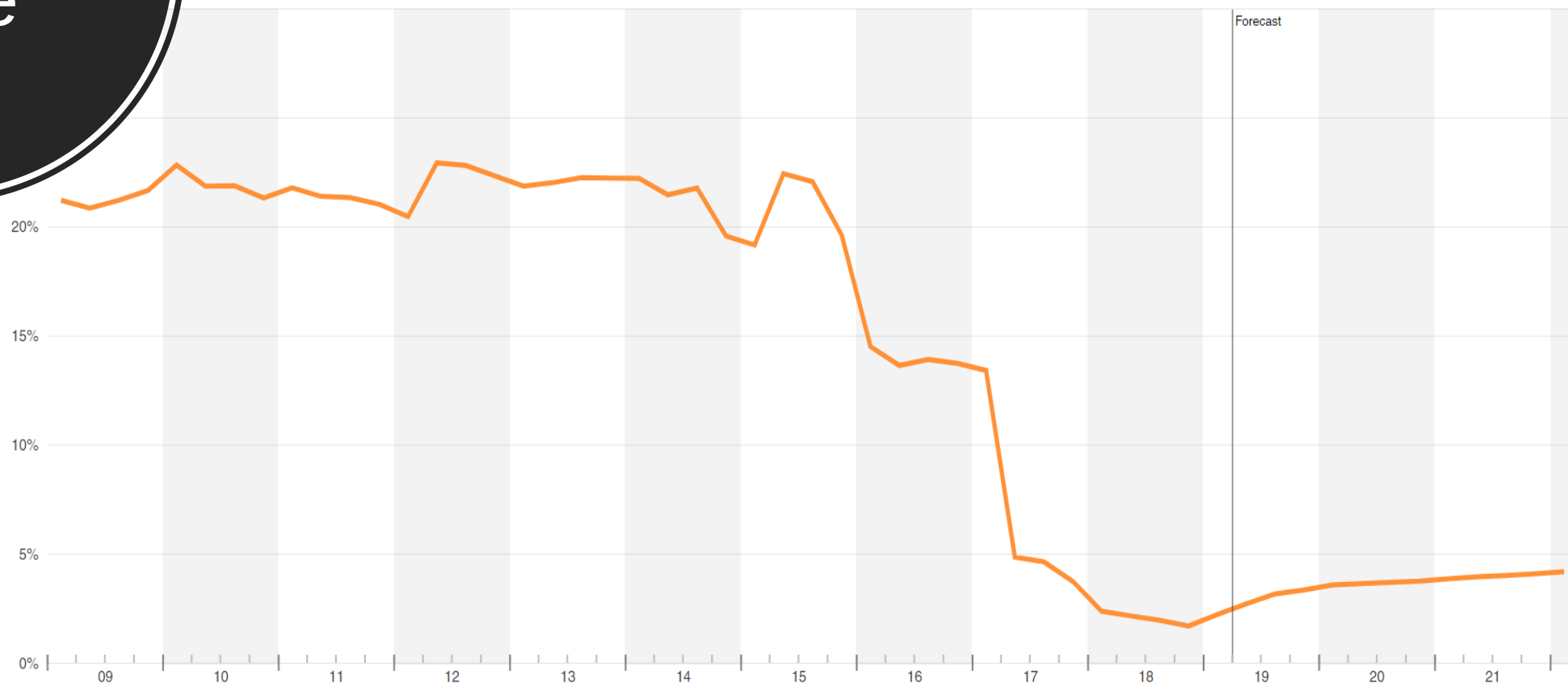
Office Space

- Total Current Leasable Space – 3.1 Million Square feet (includes 145,000 sq.ft. at City Center)
- No Significant New Office space constructed in past 10 years
- Some existing space demolished (Mervyn's)



Office Vacancy Rate

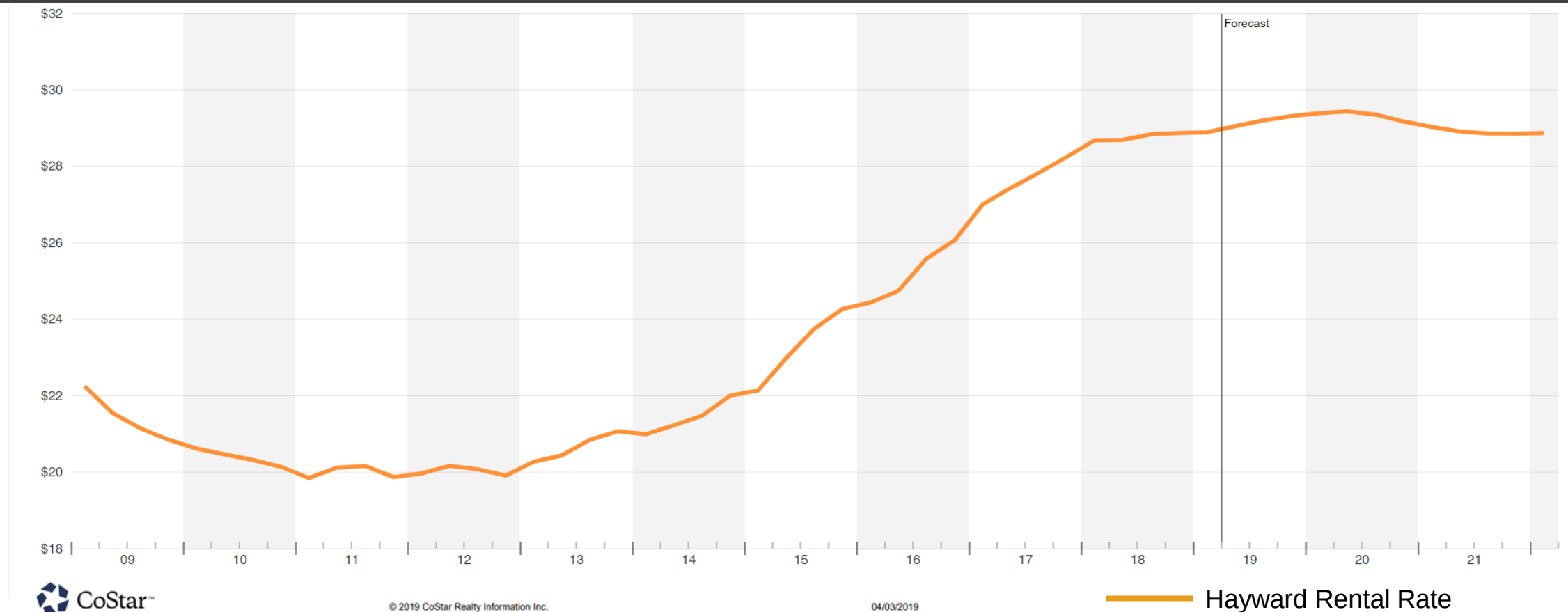
Hayward Vacancy Rate – 2.3%
East Bay Vacancy Rate – 8.8%



Office - Rent per square foot

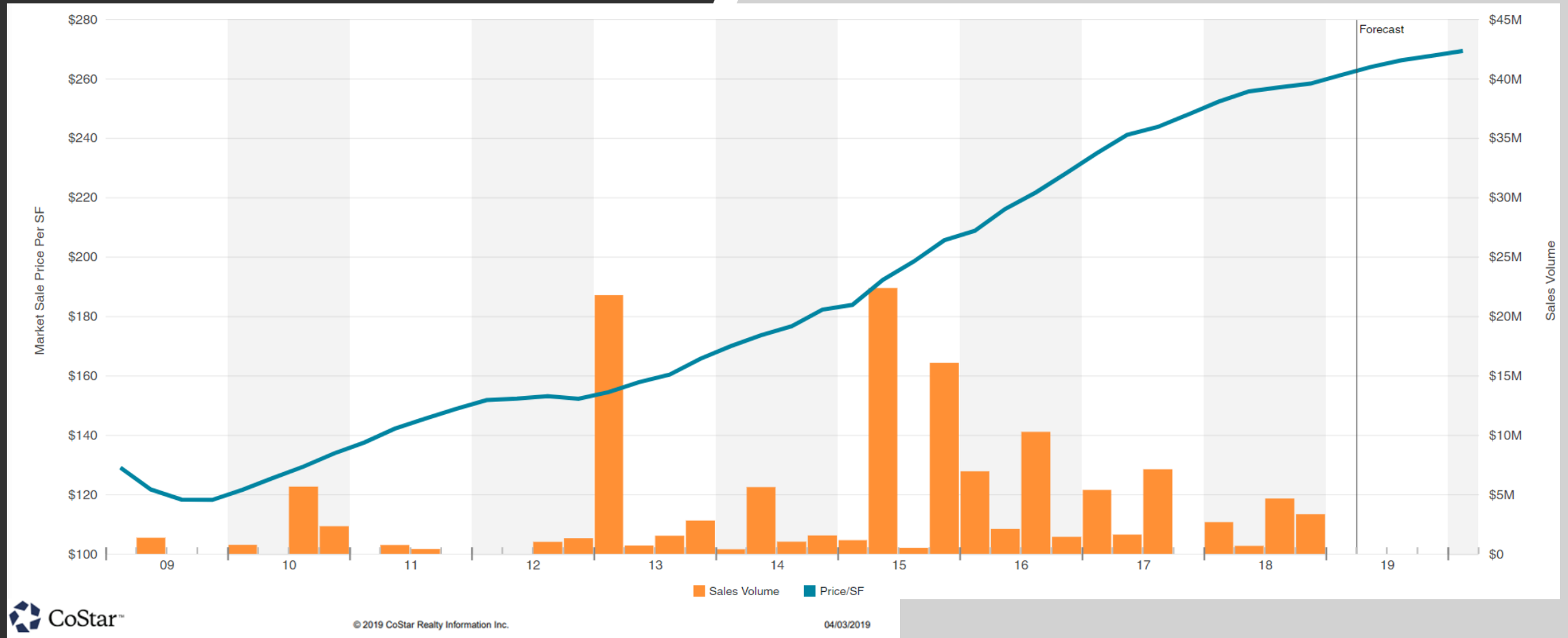
Hayward Rent - \$29.00/ sq. ft. per year

East Bay - \$37.00/ sq. ft. per year

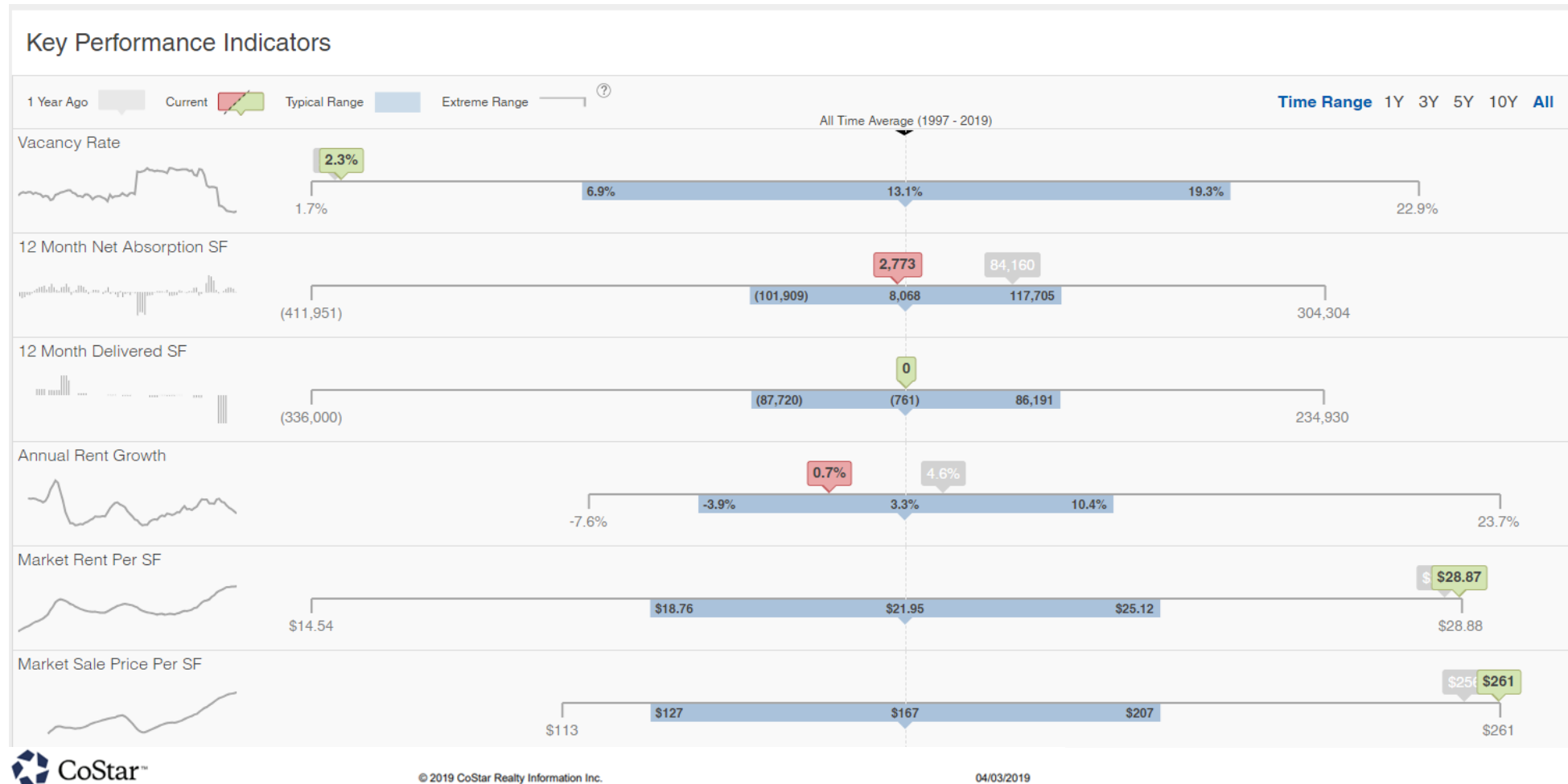


Sales Volume and Sale Price per Square Foot

Office Space



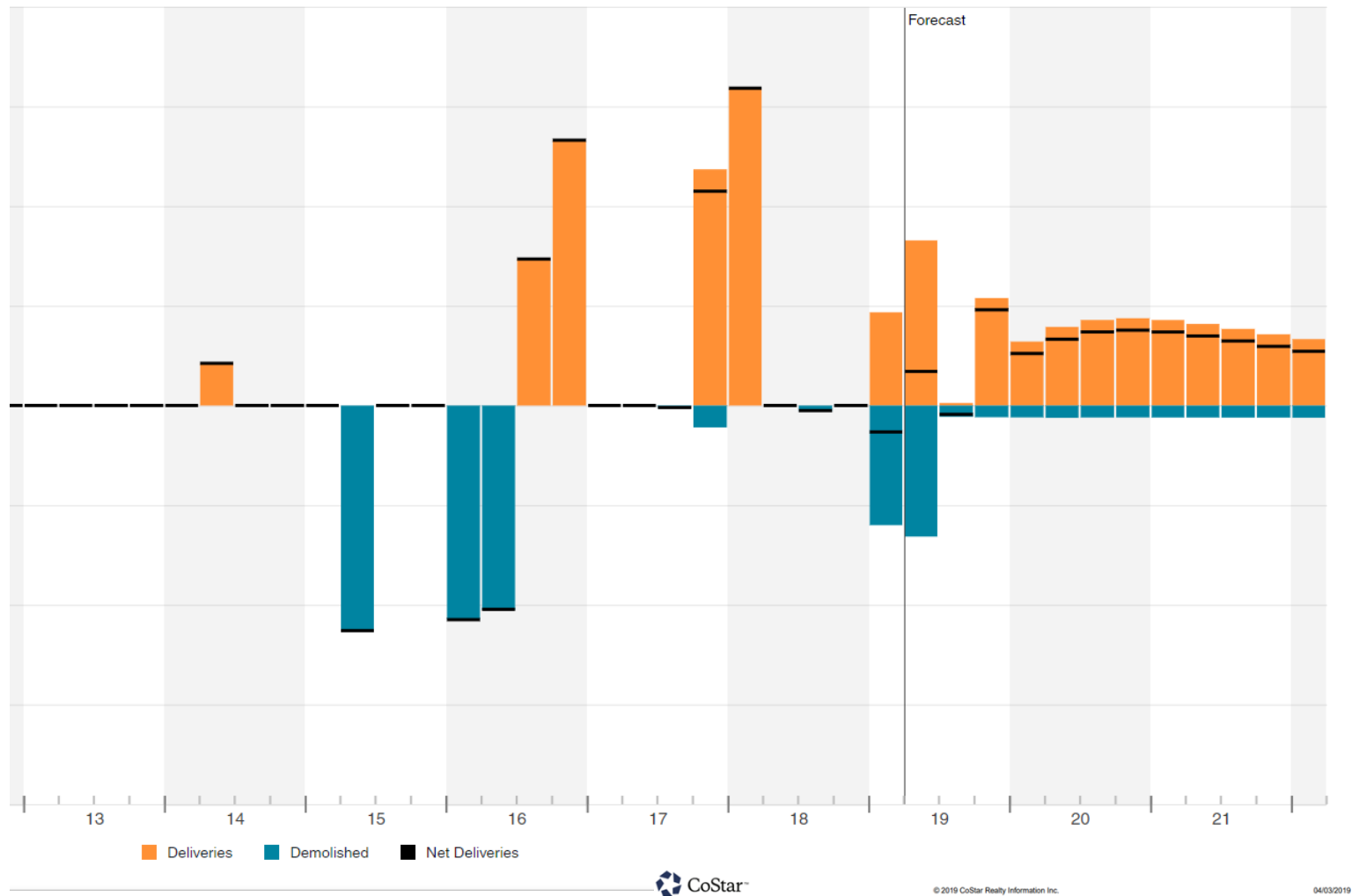
Office Performance Indicators – 22 years



Office Summary

- Rent growth has slowed dramatically since 2016, but remains positive, while market occupancy remains elevated above the historical norm.
- Assets are selling at record price levels.
- In San Francisco, rents have more than doubled since 2010. As a result, emerging East Bay submarkets with solid transportation infrastructure, are seeing an in-migration of tenants moving across the bay.

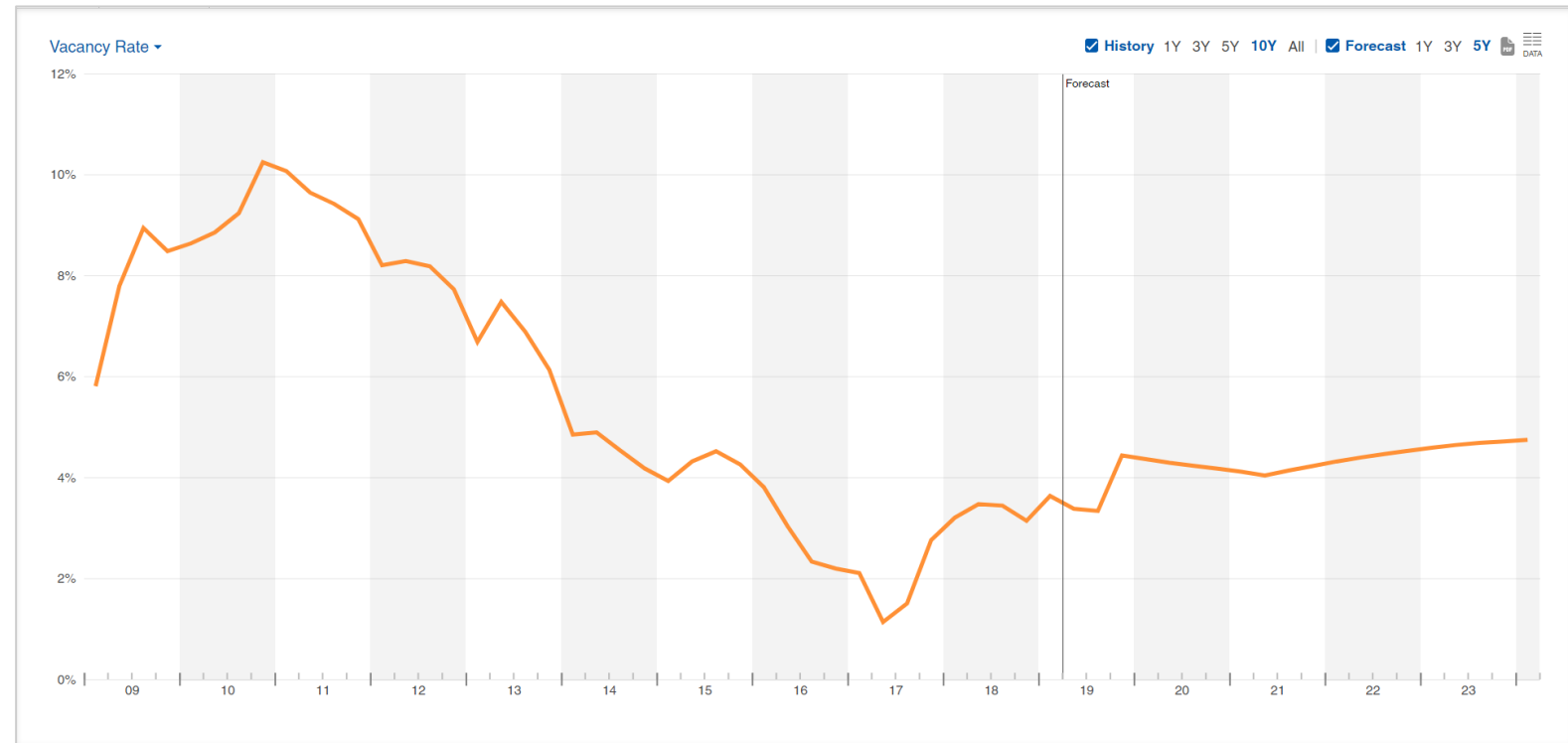
Industrial Space



- Total Current Leasable Space – 37 Million Square feet
- New Industrial Space on the market and proposed

Industrial Vacancy Rate

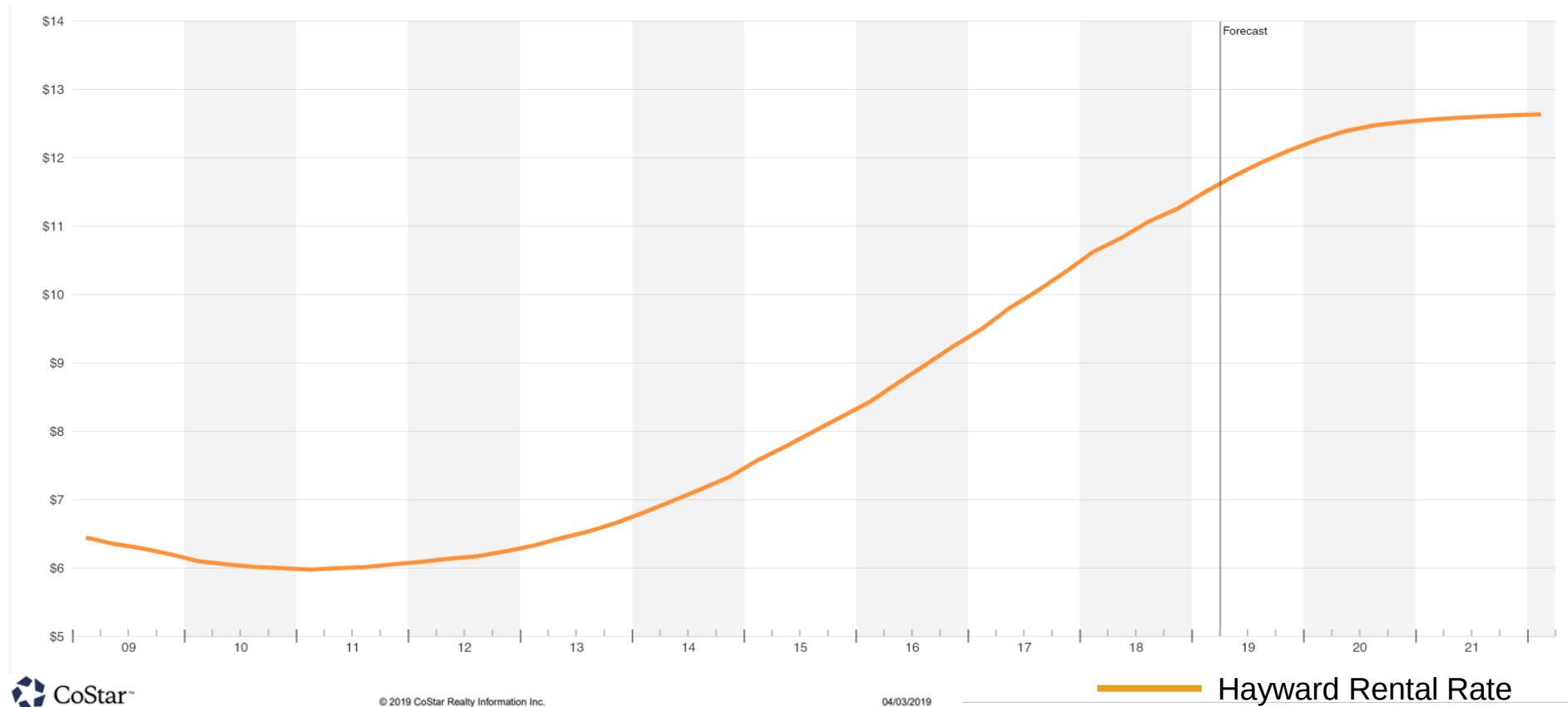
Hayward Vacancy
Rate – 3.7%
East Bay Vacancy
Rate – 4.8%



Industrial - Rent per square foot

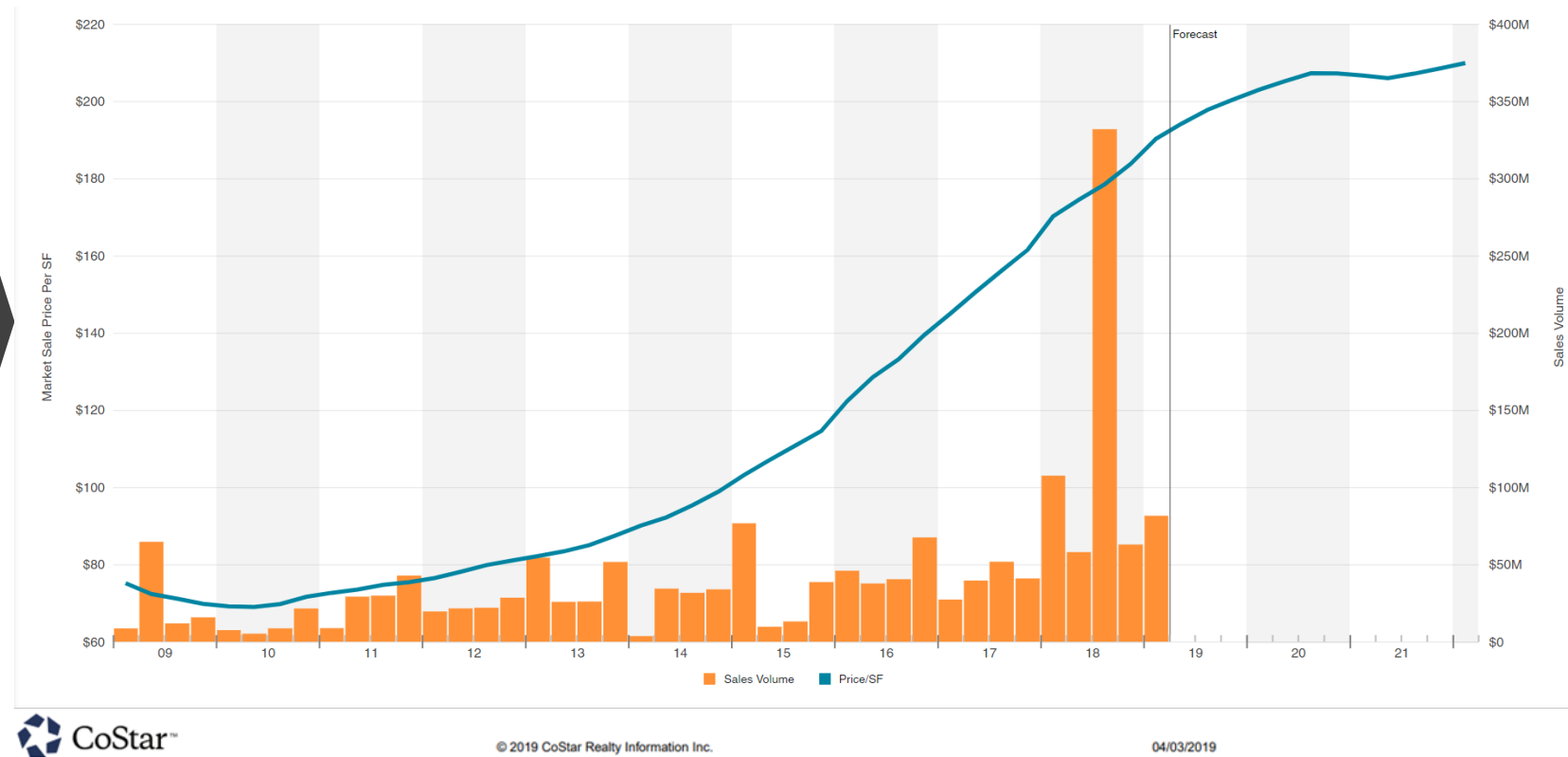
Hayward Rent - \$12.50/ sq. ft. per year

East Bay - \$14.25/ sq. ft. per year

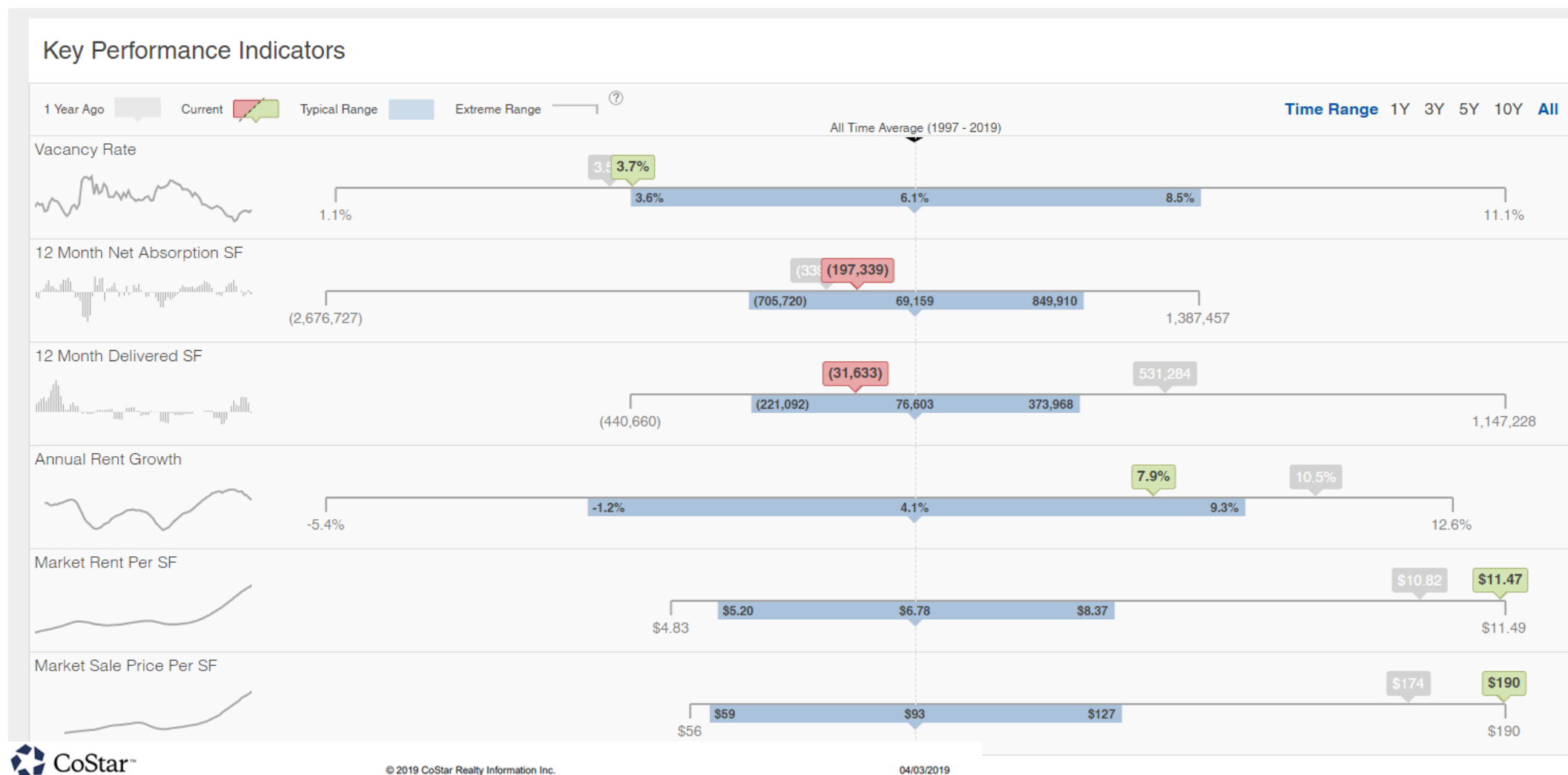


Industrial Space

Sales
Volume and
Sale Price
per Square
Foot



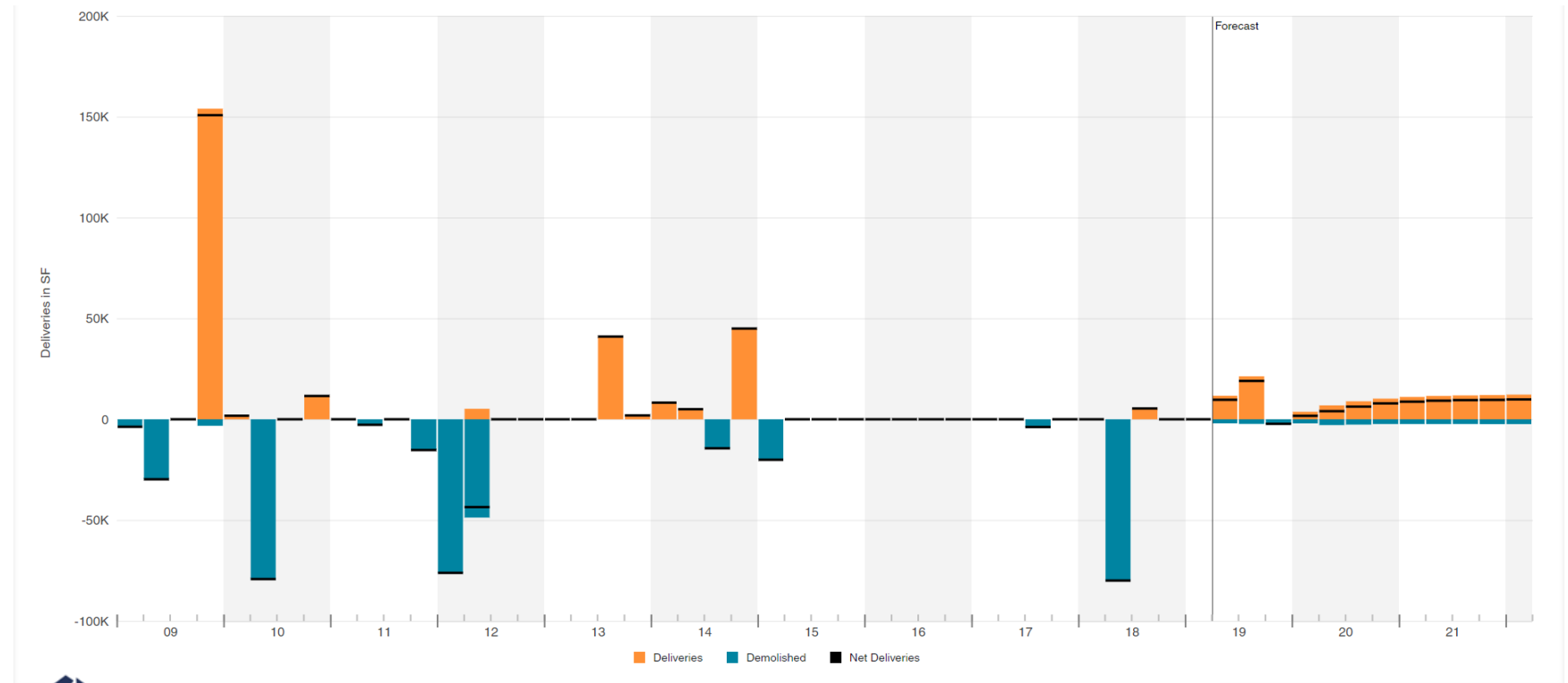
Industrial Performance Indicators – 22 years



Industrial Summary

- National industrial production is at an all-time high and robust employment growth, both nationally and across the Bay Area, have bolstered the industrial sector.
- Investors and owner-users are capitalizing on the industrial market's strong momentum. Sales volume reached a new record high in 2018, and pricing continues to increase.
- E-commerce sales are driving demand for industrial real estate, particularly in the Bay Area. Tech savvy Bay Area residents are likely shopping online more often than average, and a thriving local economy and rising wages allow for the consumption of more goods. Retailers are growing warehouse inventories and establishing last mile distribution centers for digital commerce.

Retail Space



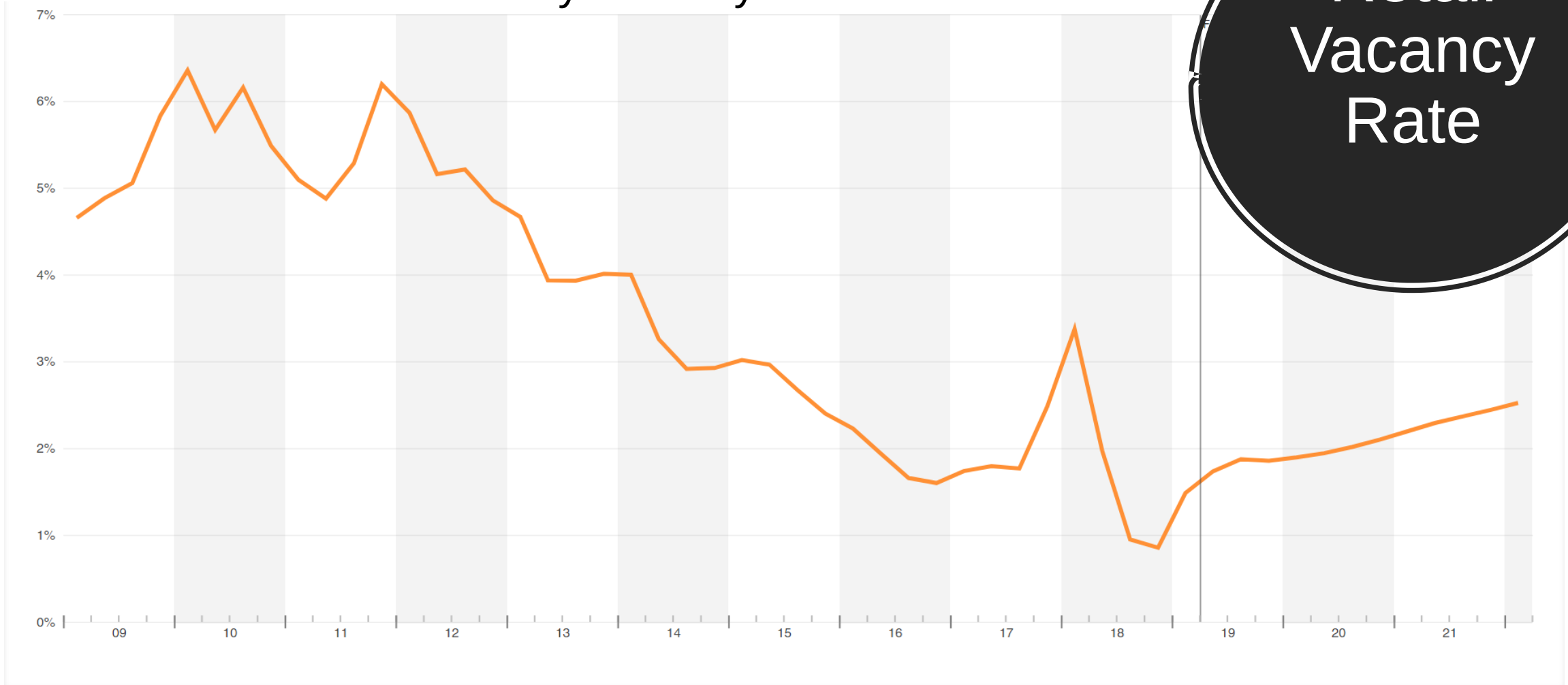
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04/03/2019

- Total Current Leasable Space – 7.7 Million Square feet
- New retail space on the horizon – small scale

Hayward Vacancy Rate – 1.5%
East Bay Vacancy Rate – 3.3%

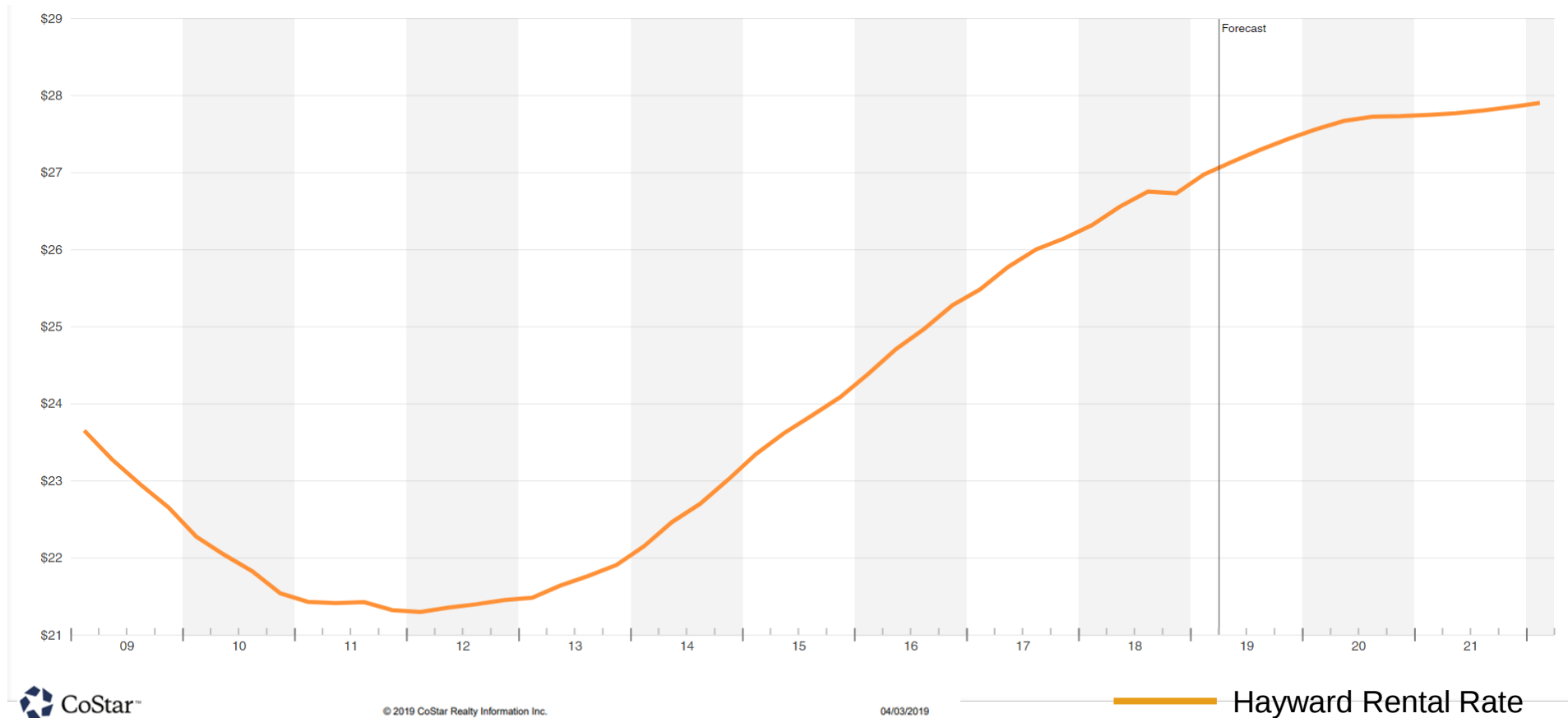
Retail
Vacancy
Rate



Retail - Rent per square foot

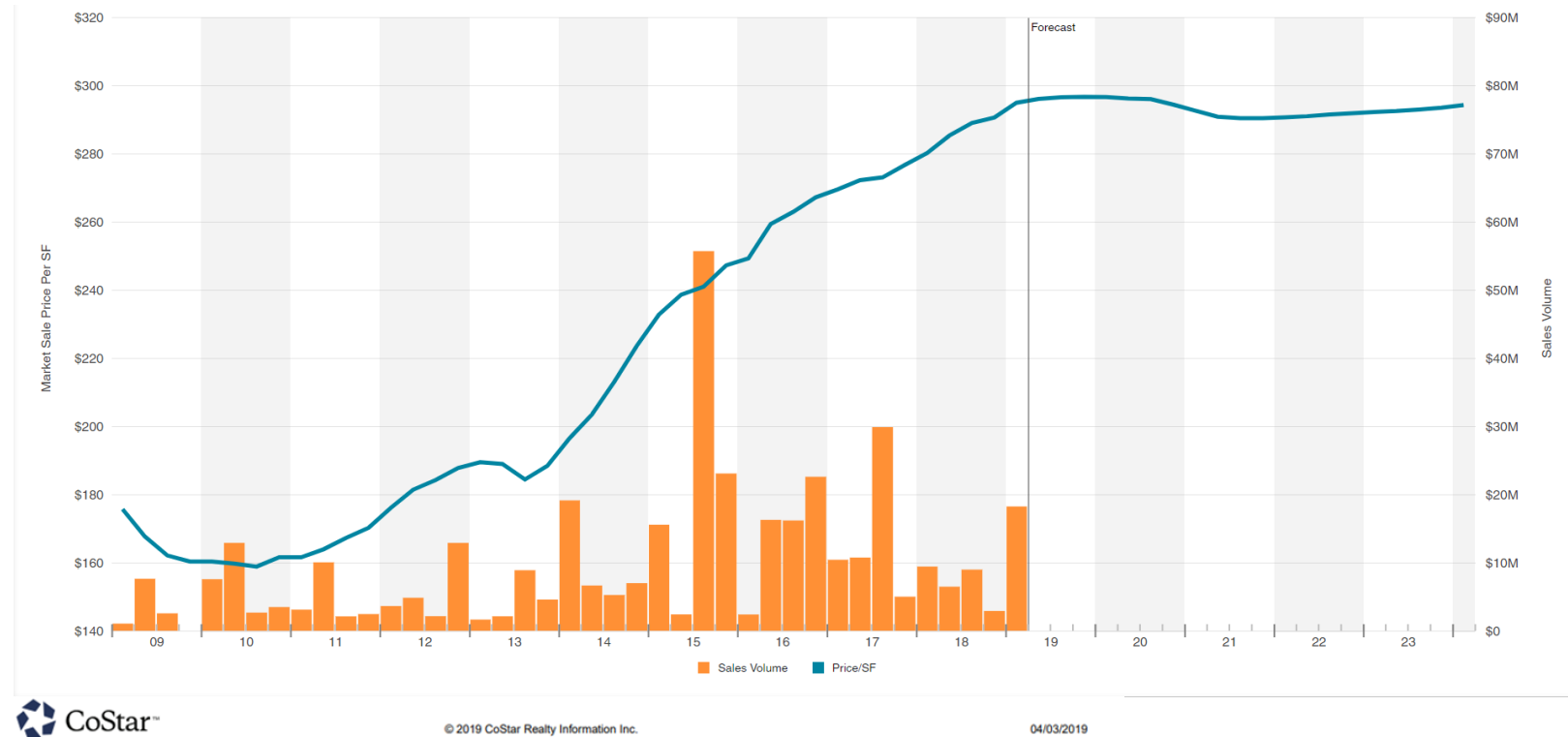
Hayward Rent - \$27.00/ sq. ft. per year

East Bay - \$29.90/ sq. ft. per year

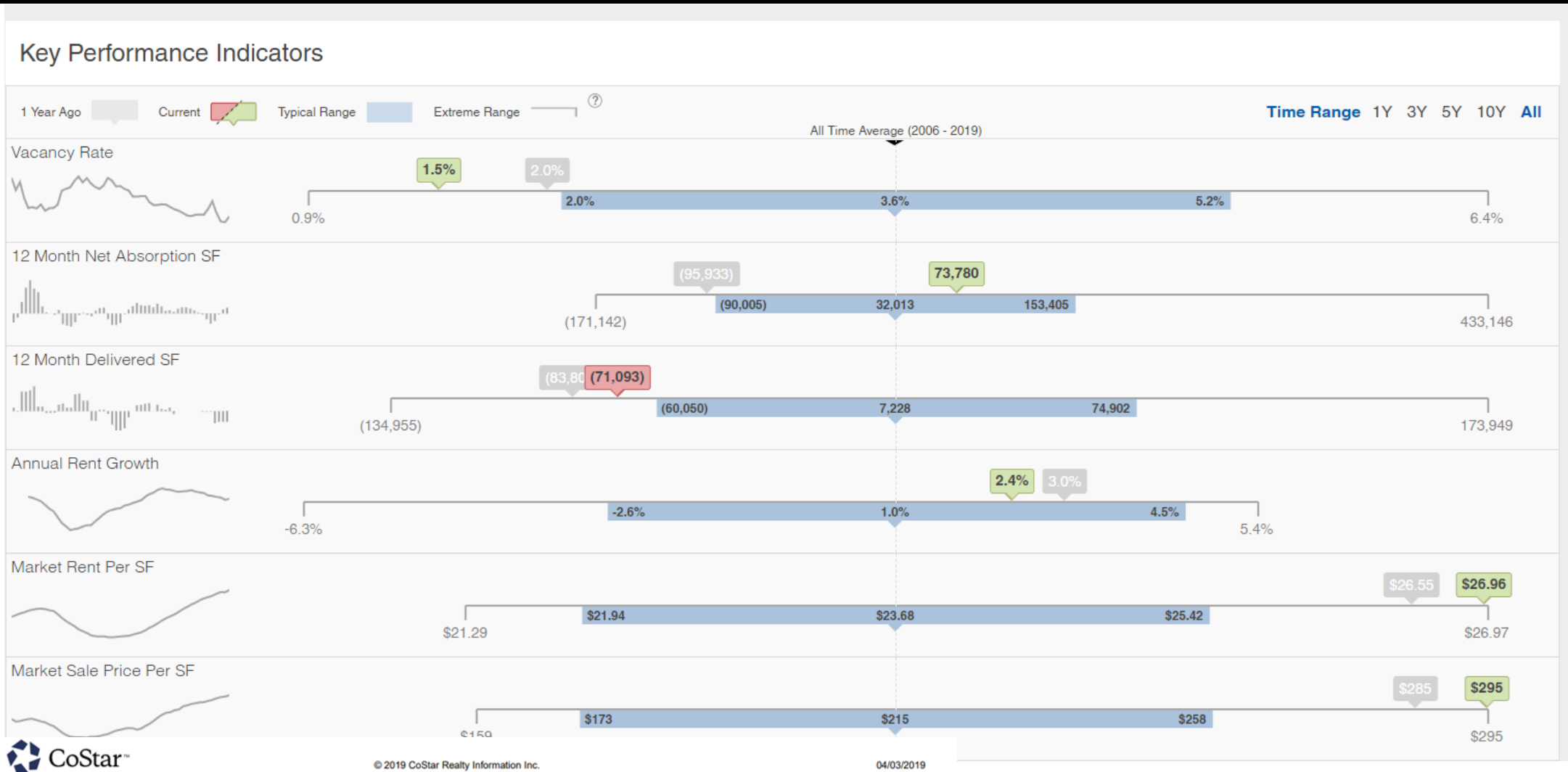


Retail Space

Sales
Volume and
Sale Price
per Square
Foot

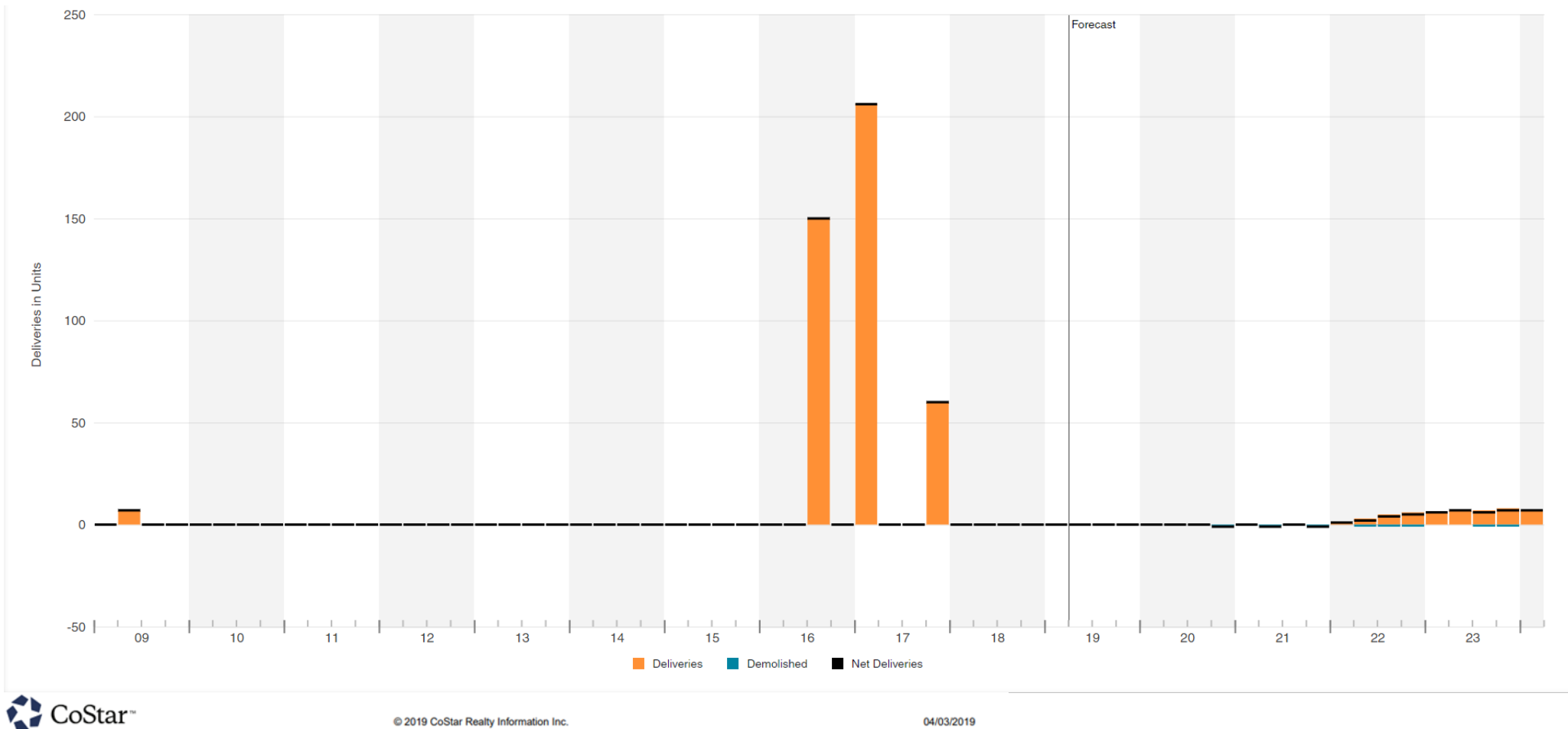


Retail Performance Indicators – 22 years



Retail Summary

- East Bay is home to one of the healthier retail markets in the country. Vacancies remain tight, and relatively limited new construction averts concern about a major vacancy expansion happening any time soon.
- While rents were especially slow to recover from the recession, gains were strong over the last few years.
- Institutional and regional investors alike continue to show interest in this area.

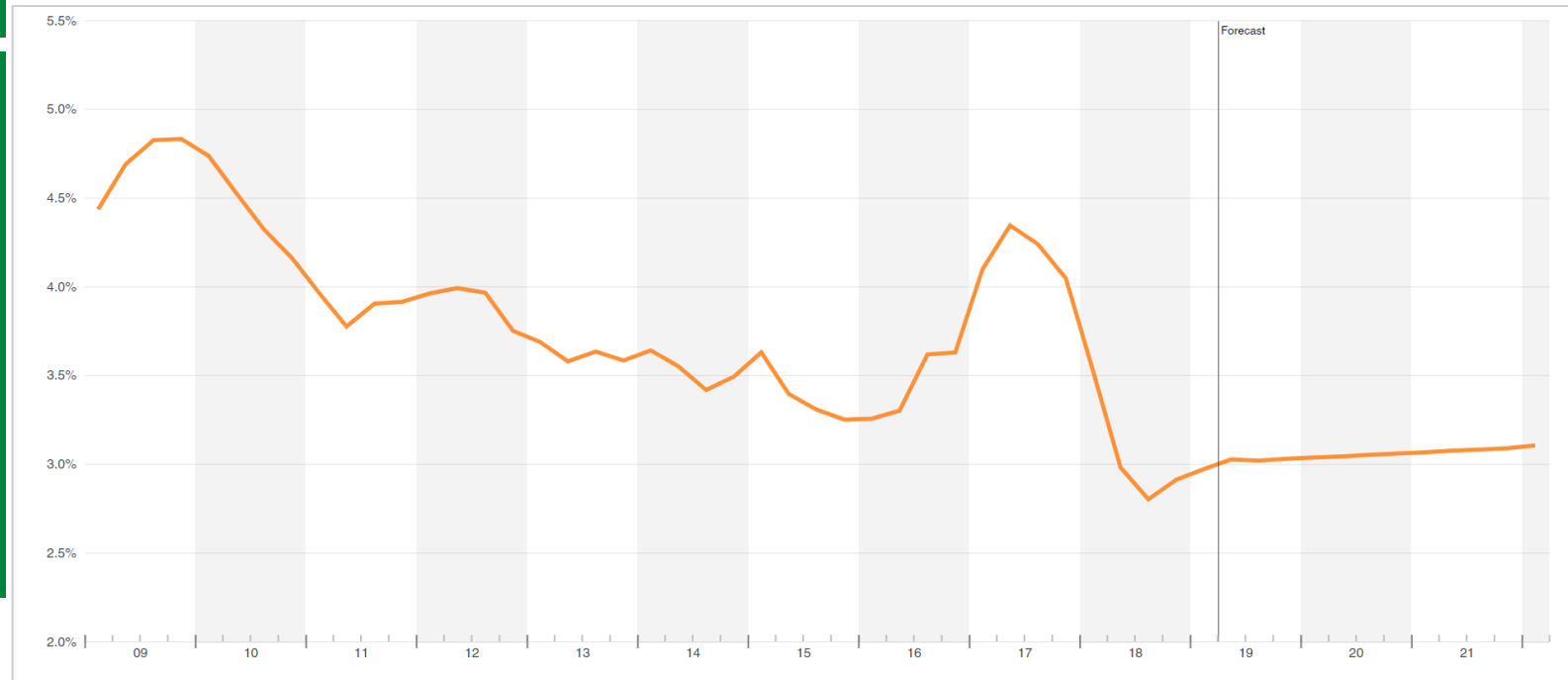


Multi-family Units

- Total Current Number of Units – 18,827
- Multi-Family are rental units only. Does not include condo projects

Multi-Family Vacancy Rate

Hayward Vacancy
Rate – 3.0%
East Bay Vacancy
Rate – 4.3%



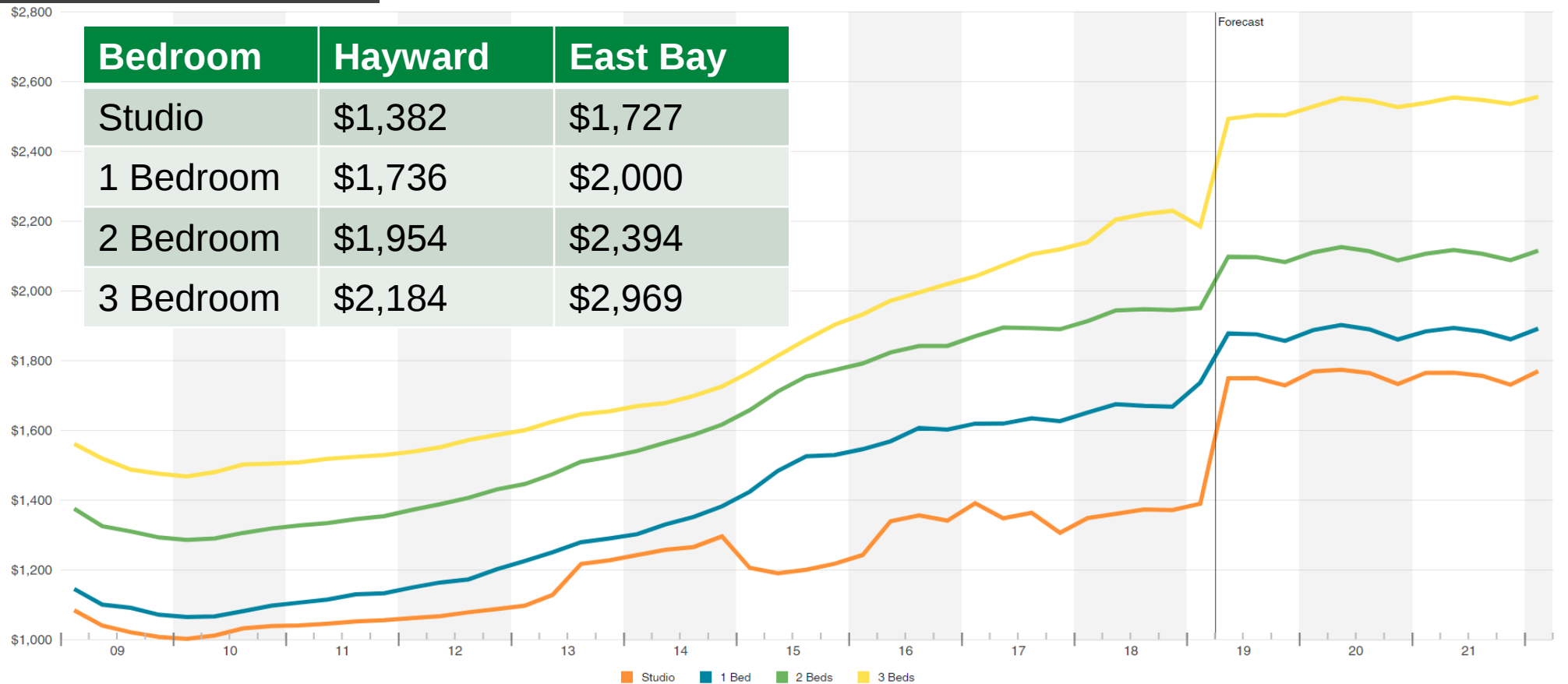
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04/03/2019

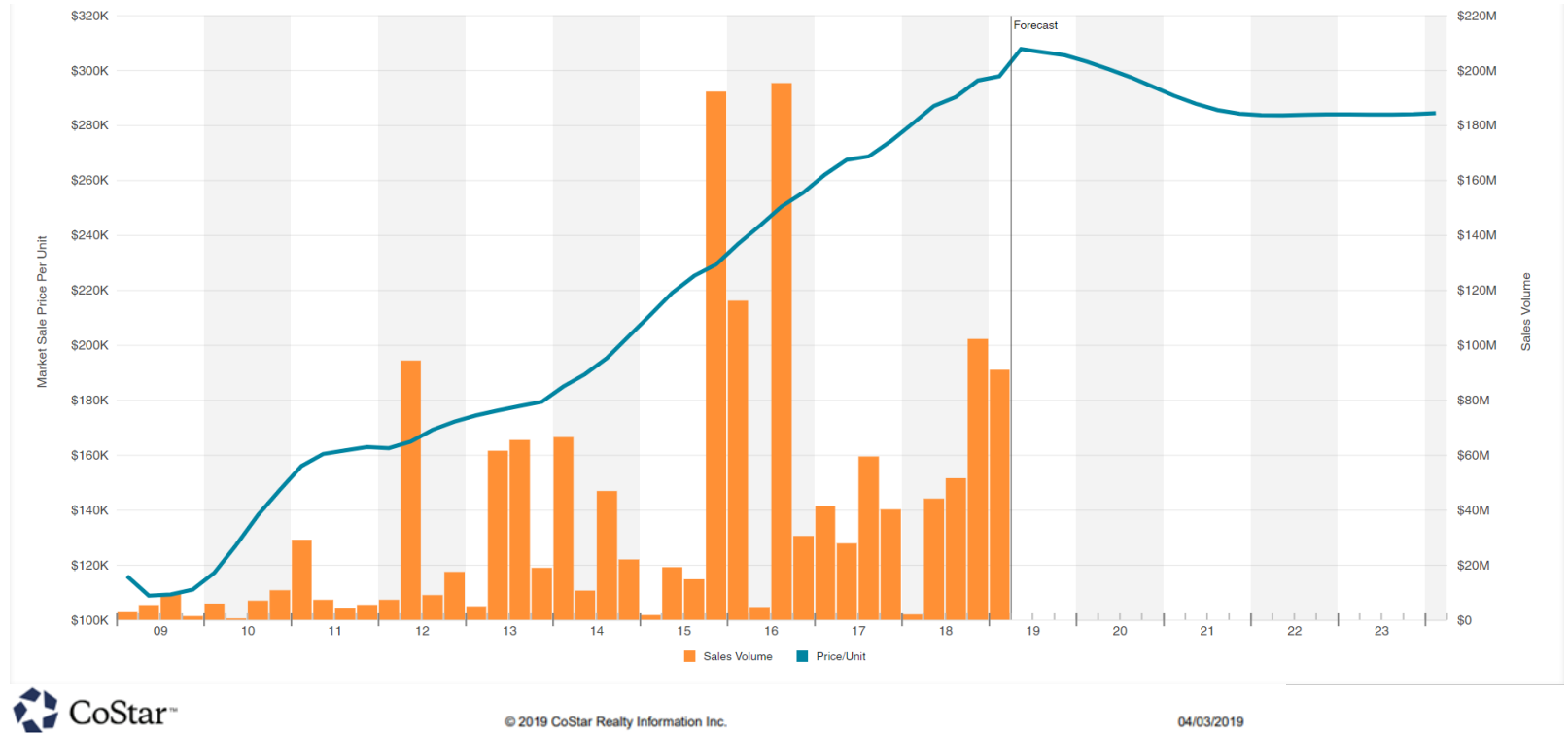
— Hayward Vacancy Rate

Multi-Family - Rent per Bedroom

— Studio Rent
— 1 Bed Rate
— 2 Bed Rate
— 3 Bed Rate



Multi-Family Sales Volume and Sale Price per Square Foot



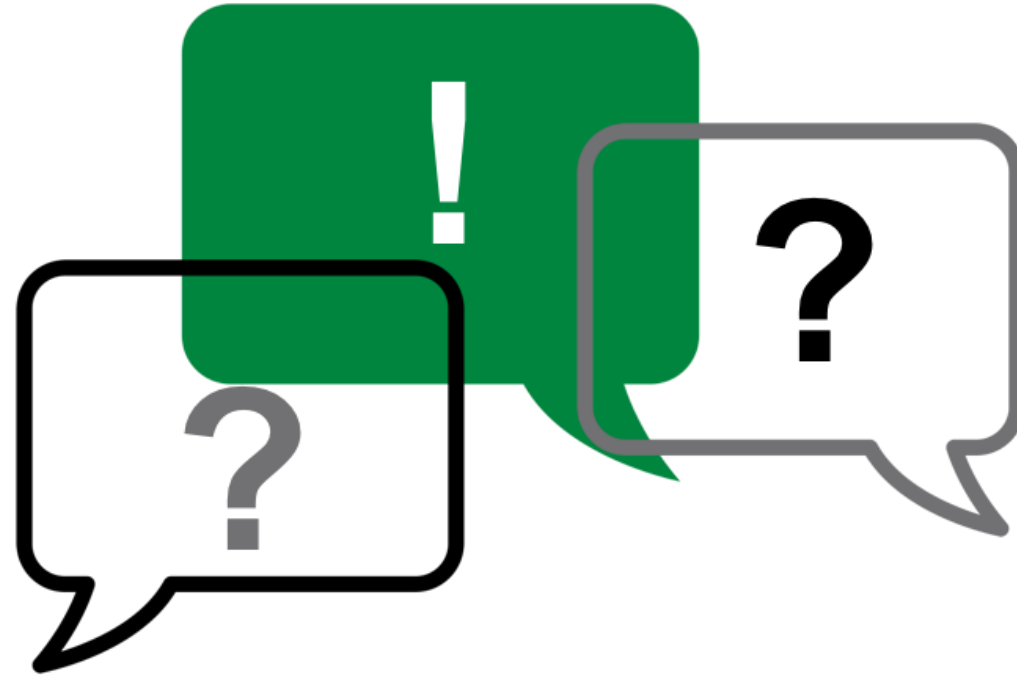
Multi- Family Performance Indicators – 19 years



Multi-Family Summary

- While strong market fundamentals in the East Bay and Hayward have triggered a flurry of multifamily building construction, there are indications that high, escalating construction costs may be affecting financial feasibility.
- The Bay Area is the most expensive place in the world to build an apartment, office, or warehouse building due to high demand, labor shortages, steel tariffs and rapid economic growth.
- Vacancy is trending near expansion-era lows despite the measured levels of recent supply growth.
- In response to traffic congestion significantly impacting mobility in the Bay Area, most multifamily units under construction in the East Bay are located within walking distance of BART stations.

Questions





CITY OF HAYWARD

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

File #: RPT 19-278

DATE: May 6, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT

Future Meeting Topics as of May 6, 2019

That the Committee reviews and comments on the attached Future Meeting Topics.

ATTACHMENTS

Attachment I Future Meeting Topics as of May 6, 2019



Council Economic Development Committee
Future Meeting Topics as of May 6, 2019

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS
Community Services	Impact of CASA Compact/Residential Housing Need Allocation (RHNA) numbers on Economic Development
Economic Development	Analysis of vacancy fees and parcel tax impacts
Economic Development	Medium- and long-term vacancy trend rates for different types of parcels
Economic Development	Report on how other cities (SF, Oakland, SJ) were developing shared work space and incubators
Economic Development	Impact of Cannabis Industry on Economic Development
Economic Development	Economic Development Strategic Plan Update
Community & Media Relations Division	Marketing and Branding Update (consistency of efforts)