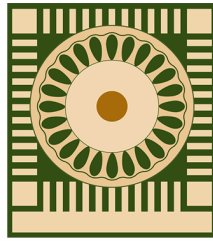


# **CITY OF HAYWARD**

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



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Tuesday, January 26, 2021**

**7:00 PM**

**Remote Participation**

**City Council**

**CITY COUNCIL MEETING**

COVID-19 Notice: Consistent with State of California Executive Order No. 29-20 dated March 17, 2020, the City Council will be participating in public meetings via phone/video conferencing.

*How to watch the meeting from home:*

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

*How to submit written Public Comment:*

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

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

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

*Click the link below to join the meeting:*

<https://hayward.zoom.us/j/92145157523?pwd=RjAvQVRpUnY0Nk1WR3JmRHp0NVJxUT09>

Meeting ID: 921 4515 7523

Passcode: CCmtg@7ZSq

or

Dial: +1 669 900 6833 or +1 346 248 7799

Meeting ID: 921 4515 7523

Password: 9393729197

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

**CALL TO ORDER: Mayor Halliday**

**Pledge of Allegiance: Mayor Halliday**

**ROLL CALL**

**CLOSED SESSION ANNOUNCEMENT****January 19, 2021****January 26, 2021****PRESENTATION**

Certificate of Commendation Presented to Dr. Leroy M. Morishita for His Service  
to California State University East Bay

**PUBLIC COMMENTS**

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

**ACTION ITEMS**

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

**CONSENT**

1.     [MIN 21-008](#)     Approve City Council Minutes of the Special City Council Meeting on December 8, 2020  
  
      **Attachments:**   [Attachment I Draft Minutes 12/8/2020](#)
  
2.     [MIN 21-009](#)     Approve City Council Minutes of the City Council Meeting on December 15, 2020  
  
      **Attachments:**   [Attachment I Draft Minutes 12/15/2020](#)
  
3.     [CONS 21-021](#)     Adopt a Resolution Accepting the Resignation of Ms. Summer Jackson from the Keep Hayward Clean and Green Task Force Effective Immediately  
  
      **Attachments:**   [Attachment I Staff Report](#)  
                              [Attachment II Resolution](#)  
                              [Attachment III Resignation Letter](#)

4.     [CONS 21-022](#)     Adopt a Resolution Accepting the Resignation of Mr. Jose Lara from the Community Services Commission Effective Immediately

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

5.     [CONS 21-007](#)     Adopt a Resolution Accepting Transmittal of Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020; and of the Memorandum on Internal Control and Required Communications

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

6.     [CONS 21-008](#)     Adopt a Resolution Accepting the Fiscal Year 2021 Statement of Investment Policy and Delegation of Authority

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Summary of Proposed Changes](#)  
                          [Attachment IV FY 2021 Statement of Investment Policy](#)

7.     [CONS 21-002](#)     Adopt a Resolution Accepting Transmittal of the Annual Mitigation Fee Act Report (AB1600)

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Summary of Applicable Fees](#)

8.     [CONS 21-014](#)     Adopt a Resolution Regarding New Service Stations Selling Fossil Fuels

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



9.      [CONS 21-016](#)      Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Mark Thomas & Company for the Mission Boulevard Corridor Improvements Phase 3 Project, in the Amount of \$194,180, thereby Increasing the Total Contract Amount Not-to-Exceed \$1,519,180

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

10.     [CONS 21-035](#)      Adopt Resolutions Authorizing the Appropriation of Funds in the Amount of \$354,083 for the FY 2020 Median Landscape Improvement Project 05255 and Awarding a Contract to Marina Landscape, Inc., in an Amount Not to Exceed \$399,083

**Attachments:**      [Attachment I Staff Report](#)  
                                 [Attachment II Award Resolution](#)  
                                 [Attachment III Appropriation Resolution](#)  
                                 [Attachment IV Bid Summary](#)

11.     [CONS 21-037](#)      Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with Contra Costa Electric for Fiber Optic Installation Services in an Amount of \$76,827, Increasing the Total Contract to an Amount Not to Exceed \$331,669

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

12.     [CONS 21-044](#)      Adopt a Resolution Authorizing the City Manager to Accept a \$75,000 Grant for Patrick Avenue Improvements Phase 2 and Execute a Funding Agreement with the Alameda County Transportation Commission from the COVID-19 Rapid Response Bicycle/Pedestrian Grant Program

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

13.     [CONS 21-045](#)      Adopt a Resolution Approving a One-Year Extension of Citywide Community Workforce Agreement with the Building and Construction Trades Council of Alameda County

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

14.     [CONS 21-055](#)     Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Kittelson & Associates, Inc. for Additional Design Services Related to the Bicycle and Pedestrian Master Plan in an Amount of \$89,000 for a Total Not to Exceed Contract Amount of \$388,416

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Resolution](#)  
                          [Attachment III Scope of Work](#)

15.     [CONS 21-065](#)     Adopt a Resolution in Support of California Assembly Bill 15: Tenant Stabilization Act of 2021, and Assembly Bill 16: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021

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

16.     [CONS 21-060](#)     Adopt a Resolution Appointing Mr. Zachariah Oquenda to the Planning Commission to Fulfill the Unexpired Term of Ms. Angela Andrews

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

## WORK SESSION

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

17.     [WS 21-001](#)     Measure C Annual Report: Review Annual Report of Measure C, Approved by Voters on June 3, 2014, Revenues and Expenditures (Report from Finance Director Claussen)

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II 20-Year Forecast 2021](#)

18.     [WS 21-003](#)     Review of Fiscal Year 2021 General Fund Revenue (Report from Finance Director Claussen)

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

## LEGISLATIVE BUSINESS

19.     [LB 21-002](#)     Temporary Evictions Moratoria: Adoption of Emergency Ordinance Amending the Temporary Moratorium on Commercial Evictions to Extend the Moratorium and Enacting a Moratorium on Residential Evictions (Report from Assistant City Manager Ott)

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Ordinance Commercial Moratorium Extension](#)  
                          [Attachment III Ordinance Residential Moratorium](#)  
                          [Attachment IV Summary of Eviction Moratoria](#)

### **CITY MANAGER'S COMMENTS**

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

### **COUNCIL REPORTS AND ANNOUNCEMENTS**

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

### **COUNCIL REFERRALS**

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

### **ADJOURNMENT**

**NEXT MEETING, February 2, 2021, 7:00 PM**

### **PUBLIC COMMENT RULES**

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

### **PLEASE TAKE NOTICE**

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

**PLEASE TAKE FURTHER NOTICE**

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

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

*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.*

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

*CHILDCARE WILL NOT BE PROVIDED UNTIL FURTHER NOTICE DUE TO COUNTYWIDE SHELTER-IN PLACE ORDER.*



# CITY OF HAYWARD

Hayward City Hall  
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**File #:** MIN 21-008

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Approve City Council Minutes of the Special City Council Meeting on December 8, 2020

**RECOMMENDATION**

That the City Council approves the Special City Council meeting minutes of December 8, 2020.

**SUMMARY**

The City Council held a meeting on December 8, 2020.

**ATTACHMENTS**

Attachment I      Draft Minutes of 12/8/2020



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

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The Special City Council meeting was called to order by Mayor Halliday at 7:00 p.m. The special meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No 29-20 dated March 17, 2020, and the Alameda County Health Officer Order No. 20-10 dated April 29, 2020 regarding the COVID-19 pandemic. Members of the City Council, City Staff, and members of the public participated via Zoom platform.

**Pledge of Allegiance:** Council Member Lamnin

**ROLL CALL**

Present: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño  
MAYOR Halliday

Absent: None

**CLOSED SESSION ANNOUNCEMENT**

The City Council convened in closed session at 6:30 p.m. regarding conference with labor negotiators pursuant to Government Code 54957.6 concerning all labor groups. City Attorney Lawson noted there was no reportable action related to the item.

**PRESENTATION**

Economic Development Manager Nguyen highlighted the California Association for Local Economic Development (CALED) recognized the City of Hayward with the 2019 Award of Excellence for collaborating with developers to meet economic development goals and establishing best practice for attracting advanced industries and supporting STEM job creation.

**PUBLIC COMMENTS**

Mr. Zachariah Oquenda, Hayward resident, referred to correspondence in which he asked the Council consider evaluation of the Crime Free Multi-Housing Program as a referral item at a future meeting and consider including access to housing for people with a criminal record in goals under the City's Housing Element.

**CONSENT**

Consent Item 5 was removed from the Consent Calendar for separate discussion.

1. Approve City Council Minutes of the City Council Meeting on November 17, 2020 **MINS 20-127**

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried unanimously, to approve the minutes of the City Council meeting on November 17, 2020.

2. Approve City Council Minutes of the City Council Meeting on December 1, 2020 **MINS 20-128**

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried unanimously, to approve the minutes of the City Council meeting on December 1, 2020.

3. Adopt a Resolution Authorizing the City Manager to Execute an Agreement with RB Environmental for Demolition and Hazardous Materials Removal Services, and Authorize the Appropriation of Funds Not to Exceed \$690,000 **CONS 20-545**

Staff report submitted by Fire Chief Contreras dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-212, "Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with RB Environmental for Demolition and Hazardous Material Removal Services; and Authorize the Appropriation of Funds Not to Exceed \$690,000 from the General Fund"

4. Adopt a Resolution Confirming the Report of Lien/Special Assessment for Administrative Cost Recovery of Summary Abatement Demolition for the Property Located at 29827 Mission Boulevard, Assessor's Parcel Number 078G-2651-012-08 **CONS 20-598**

Staff report submitted by Director of Development Services Simpson dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

---

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

Resolution 20-213, "Resolution Confirming the Report of Lien/Special Assessment for Administrative Cost Recovery of Summary Abatement Demolition for the Property Located at 29827 Mission Boulevard, Assessor's Parcel Number 078G-2651-012-08"

**5. Adopt a Resolution Authorizing the Extension of the Council Homelessness-Housing Task Force for an Additional Two-Year Period Through March 2023 CONS 20-575**

Staff report submitted by Director of Public Works Ameri, dated December 8, 2020, was filed.

Council Member Wahab spoke about the Council Homelessness-Housing Task Force (HHTF) and its accomplishments over the two-year period and asked the Council to consider making the HHTF a permanent standing committee because housing and homelessness are ongoing issues.

Council Member Wahab offered a motion to make the HHTF a permanent standing committee. The motion died for lack of a second.

Council Member Mendall offered a motion to approve staff's recommendation without modification; appreciated the breakdown of agenda topics by category; and encouraged HHTF members and staff to focus on housing topics that have not been discussed and to avoid duplication of efforts.

Council Member Salinas seconded the motion, noted the housing agenda will continue to move forward and acknowledged there were other housing needs to address.

Council Member Márquez thanked the HHTF members for their work and supported extending the HHTF for a two-year period and revisiting its need at the end of 2023.

Council Member Wahab noted home ownership and a five-year plan for efforts around homelessness had been discussed but there was emphasis on rent stabilization to update pieces of the policy; and supported extending the HHTF and meeting more frequently during COVID to address housing and shelter needs.



Council Member Zermeño agreed about the need to consider other objectives including local partnerships for home ownership; noted that housing was a regional challenge and not all cities in the Bay Area were committing to their fair share of housing production.

Mayor Halliday thanked HHTF members and recognized them for their work.

It was moved by Council Member Mendall, seconded by Council Member Salinas, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-219, “Resolution Authorizing the Extension of the Council Homelessness-Housing Task Force for an Additional Two-Year Period through March 2023 and Appointment of Council Members”

6. Adopt a Resolution Authorizing the City Manager to Accept and Execute a Funding Agreement with the Bay Area Air Quality Management District for the 2020 Vehicle Trip Reduction Grant Program and Appropriate Funds **CONS 20-596**

Staff report submitted by Director of Public Works Ameri, dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-214, “Resolution Authorizing the City Manager to Accept \$200,790 from the Bay Area Air Quality Management District’s 2020 Vehicle Trip Reduction Grant Program for Use in the City’s Mission Blvd Protected Bikeway Project, Project No. 05316; and to Appropriate up to \$223,100 in Funding from the City’s Vehicle Registration Fee Fund (Fund 218) for Use in the City’s Mission Blvd Protected Bikeway Project, Project No. 05316”



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

- 
7. Adopt a Resolution Approving an Amendment to Professional Services Agreement with Kimley-Horn and Associates, Inc., for the Hayward Boulevard Safety Improvements Feasibility Study in the Amount of \$44,990, Increasing the Total Contract to an Amount Not to Exceed \$178,825 **CONS 20-616**

Staff report submitted by Director of Public Works Ameri, dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas,  
Wahab, Zermelo  
MAYOR Halliday  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 20-215, "Resolution Approving Amendment to Professional Services Agreement with Kimley-Horn and Associates, Inc., to Increase the Contract Amount by \$44,990, for a Total Contract Amount Not-to-Exceed \$178,825 for the Hayward Boulevard Safety Improvements Feasibility Study"

8. Adopt Resolutions Initiating Proceedings Pursuant to Streets and Highways Code Sec. 1160 et seq., Providing Intention to Levy Assessments for FY 2022, Preliminarily Approving the Engineer's Report and Providing for Notice of Prop. 218 Hearing for Old Highlands Pavement Improvements, and Adoption of a Resolution Adopting Prop. 218 Assessment Ballot Procedures **CONS 20-617**

Staff report submitted by Director of Public Works Ameri, dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolutions:

AYES: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas,  
Wahab, Zermelo  
MAYOR Halliday  
NOES: None  
ABSENT: None  
ABSTAIN: None

Resolution 20-216, “A Resolution of the City Council of the City of Hayward Initiating Proceedings Pursuant to Streets and Highways Code § 1160 Et Seq., Providing Intention to Levy Assessments for Fiscal Year 2022, Preliminarily Approving the Engineer's Report, and Providing for Notice of Hearing, and the Mailing of Assessment Ballots for the Old Highlands Area Road Improvement Assessment District”

Resolution 20-217, “A Resolution of the City Council of the City of Hayward Adopting Procedures for Proposition 218 Assessment Ballot Proceedings for the Old Highlands Area Road Improvement Assessment District”

9. Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with the Metropolitan Planning Group for Planning and Services Increasing the Not to Exceed Amount to \$200,000, and Extending the Term to December 31, 2021 **CONS 20-618**

Staff report submitted by Development Services Director Simpson, dated December 8, 2020, was filed.

It was moved by Council Member Wahab, seconded by Council Member Lamnin, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-218, “Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with Metropolitan Planning Group, for Professional Planner Services Increasing the Not to Exceed Amount to \$200,000”

## **WORK SESSION**

10. Commercial Cannabis Program Work Session: Review and Provide Feedback on Recommended Process and Policy Updates to the City’s Commercial Cannabis Program **WS 20-049**

Staff report submitted by Development Services Director Simpson, dated December 8, 2020, was filed.



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

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Development Services Director Simpson introduced Principal Planner Lochirco who provided a synopsis of the staff report and Ms. Eliza Johnston, Public Policy Director with ICF(should we expand the acronym?) provided an overview of the work plan.

Mayor Halliday opened the public comment period at 8:15 p.m.

Mr. Igor Milgram, Stoned Age Edibles Company owner, requested the City implement a license fee system based on size, revenue, or license type similar to Oakland's license; and requested the ability to apply for a Type S license for their rental kitchen.

Ms. Theresa Rezentes supported a continued rigorous process for cannabis retail in Hayward and did not agree with an expedited review.

Mr. Doug Chloupek, with Juva Company, suggested all applications be reviewed regardless of how they scored; defer to State licensing requirements; ensure applicants hold real estate before applying; allow microbusinesses to sell all products; conform with State law in allowing delivery vehicles to carry \$5,000 and allow the sale of cannabis paraphernalia through any of the retailers.

Mr. Sean Kali-Rai noted recent ordinances passed by Redwood City and Union City and encouraged the Council to consider increasing the number of retail dispensaries from three to between six to eleven; suggested taking money earned from cannabis and spreading it to a wide population; and supported the community benefit proposal.

Mayor Halliday closed the public comment period at 8:28 p.m.

Discussion ensued among members of the City Council and City staff regarding: the number of businesses that were awarded licenses (23); the social equity component; status of delivery service businesses; process for revoking or not renewing licenses of operators that are not in compliance; and timeline regarding next steps.

Council Member Zermeno agreed with staff's recommendations and emphasized on maintaining a rigorous process, did not want more than three retail dispensaries and wanted to ensure all 23 licensed businesses operate.

Council Member Mendall feedback: give applicants more opportunities to apply; allow delivery vehicles to carry \$5,000; include a social equity component providing priority processing but without a quota; remove the Community Benefits criteria from the application process or keep it as optional; keep the retail cap at three but do not limit any other cannabis uses; explore industrial areas; not in favor of a microbusiness license enabling to open a retail dispensary; do not maintain a prohibition of Level 2 cannabis manufacturing activities; simplify the process for testing labs; support an expedited review process for operators who are running well and are seeking to expand their business to include other cannabis use; support full cost recovery of the cannabis program and open to different fees for different businesses based on the amount of staff oversight required; support the

assessment of fines for illegal operations; and want to continue to allow cannabis operators the ability to transfer a minority share of ownership with a cumulative threshold.

Council Member Lamnin feedback: agree with updates to licensing and land use entitlement process; evaluate having the Planning Commission or administrative staff take on some review steps; support a social equity component without a quota and likes the idea of having a Type S license; remove the Community Benefits criteria from the application process or keep it as optional; do not have an issue with microbusiness that have a retail component at a small footprint and want to up the cap to six; do not limit other cannabis uses; do not maintain a prohibition of Level 2 cannabis manufacturing activities; fine with a process that streamlines ancillary activity with checks and balances; fine with supporting an expedited review process for existing well run operators who are seeking to expand their business; support full cost recovery whenever possible; supports assessment of fines as long as it does not become an obstacle for those trying to become a legitimate business; evaluate what items are handled by HPD versus Code Enforcement; and ensure the transfer of ownership is done according to what is approved.

Council Member Wahab feedback: consider increasing the buffer for sensitive areas to 1,000 feet; want a stricter policy for child-friendly marketing; applicant should find a property and enter into an agreement prior to applying; study why approved applicants have failed; charge the industries a fee outside of the tax to ensure community benefits are met and create a scholarship program with cannabis revenue; raise the retail cap to a level proposed by staff and do not limit any other cannabis uses; explore other zoning areas to allow cannabis; do not maintain a prohibition of Level 2 cannabis manufacturing activities and have oversight from Fire; expedite process for testing labs; support full cost recovery; support assessment of fines for illegal operations; and allow, with reservations, cannabis operators the ability to transfer a minority share of ownership; and requirements in compliance with State law.

Council Member Salinas feedback: concern about equity in neighborhoods and the legacy of divestment and neglect; agree to simplify and streamline the licensing and entitlement process; apply social equity on the impact cannabis is having on the neighborhoods and kids; favor a singular and rigorous process; do not remove the Community Benefits criteria from the application process and be more specific about the ask; keep retail business cap at 3; do not expand cannabis in commercial zone areas; do not maintain a prohibition of Level 2 cannabis manufacturing activities; does not mind if a microbusiness has a small dispensary as long as is in the industrial area; support an expedited review process for well-run operators seeking to expand their business; support full cost recovery for administration and enforcement of the cannabis program; support the assessment of fines for illegal operations; add language that clearly articulates that applicant cannot switch ownership; note that retail outlets have been negatively affecting neighborhoods; and against approving any dispensary, tobacco outlet, or liquor store along the Tennyson Corridor.



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

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Council Member Márquez feedback: the industry is a new opportunity for economic development; agree with updates to the entitlement process; support social equity component but would prefer an overarching priority of employment rather than meeting a quota; support providing technical assistance and fast-tracking applications; favor demographics include residency, race, gender, and incarceration status in the application; prefer the community benefit as an option; want further discussion of disbursement of tax revenue and should be in line with the Council Strategic Roadmap and the Community Services Commission priorities; want businesses to take ownership for community engagement; open to increasing the retail cap by one or two and when including microbusiness/ancillary component perhaps to six; explore areas where the zoning could be amended to allow cannabis; open to industrial areas and not close to sensitive areas; maintain sensitivity buffers; want to maintain the current size limitation for ancillary retail operations; do not maintain a prohibition of Level 2 cannabis manufacturing activities as long as staff is able to address issues; open to operators who handle cannabis as an ancillary activity be subject to the same evaluation process and can be a more simplified and aligned with State regulations; do not want non-traditional cannabis applicants be subject to the same process; support expediting business expansion for responsible operators; ensure to track current businesses so Council can receive an update on any changes; support full cost recovery; willing to be flexible on tier system about annual license fees; support the assessment of fines for illegal operations; and allow transfers of ownership but ask more questions including branding and type of signage.

Mayor Halliday feedback: agree with updates to the licensing and land use entitlement process; express concern the equity component has potential to be manipulated and prefer to use generated tax revenues to help support communities of concern; comfortable eliminating community benefit as a mandatory requirement and leaving it as optional but encouraging applicants to consider their own contributions; favor maintaining the retail cap at three; support expanding options beyond the downtown to help with concentration concerns; support Level 2 cannabis manufacturing activities acknowledging trust on the Fire Department; fine with loosening requirements for operators who handle cannabis as an ancillary activity; agree with an expedited process for well-run operators who seek to expand their business; support full cost recovery and look into progressive fees for different business sizes; favor assessment of fines for illegal operations; and express concern about allowing operators the ability to transfer a minority share of ownership.

## PUBLIC HEARING

11. 1032 Central Blvd Property Disposition: Adopt a Resolution Making Findings to Designate the 0.24-Acre City Owned Parcel Located at 1032 Central Boulevard as Surplus Property and Begin the Surplus Property Process Consistent with the Surplus Property Land Act **PH 20-090**

Staff report submitted by Deputy City Manager Ott, dated December 8, 2020, was filed.

Community Services Manager Davis provided a synopsis of the staff report.

There being no public comment, Mayor Halliday opened and closed the public hearing at 10:16 p.m.

It was moved by Council Mendall, seconded by Council Member Zermeño, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-220, "Resolution Designating the City-Owned Property Located at 1032 Central Boulevard in the City of Hayward, California as Surplus Land Pursuant to Government Code Section 54221, APN 445-0270-007-01"

Council Member Wahab rejoined the Zoom meeting at approximately 10:24 p.m.

12. Community Development Block Grant (CDBG) COVID-19 Emergency-Related Funding: Adopt a Resolution Authorizing the City Manager to Implement a Contingency Plan for Allocation and Expenditure of Up to \$1.69 Million in Available CDBG Funds for COVID-19 Emergency Expenditures, and Approving a Substantial Amendment to the CDBG Fiscal Year 2020 Annual Action Plan **PH 20-088**

Staff report submitted by Deputy City Manager Ott, dated December 8, 2020, was filed.

Management Analyst Cole-Bloom provided a synopsis of the staff report.

Discussion ensued among members of the City Council and City staff regarding funds available for rent relief and the homeowner loan program; funds for low-income homeowners, counseling, and legal services; the Economic Development Small Business



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

Assistance program; funds for operations of the Navigation Center; and Hayward's Rental Housing Relief Program.

There being no public comment, Mayor Halliday opened and closed the public hearing at 10:38 p.m.

City staff and the Community Services Commission were acknowledged and thanked for the staff report.

Council Member Salinas requested staff provide information on how Community Development Block Grant (CDBG) COVID-19 emergency-related funding is distributed geographically throughout the City.

Council Member Salinas made a motion to approve the staff recommendation.

Council Member Wahab seconded the motion and echoed the desire for more metrics on how and where the money is distributed throughout the City to increase transparency.

Deputy City Manager Ott acknowledged the request and noted staff would track disbursements to the best of their ability.

Council Member Márquez asked staff to ensure that information about the increase of funds available for rent relief be shared with the public.

Council Member Mendall agreed with auditing how the money is distributed and suggested a break down by zip code to see how funds are distributed.

Mayor Halliday noted that \$125,000 was part of a matching program enacted by Alameda County Supervisors to provide economic assistance to businesses in an effort to achieve geographic equity throughout the county.

It was moved by Council Member Salinas, seconded by Council Member Wahab, and carried by the following roll call vote, to approve the resolutions:

AYES:	COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermelo MAYOR Halliday
NOES:	None
ABSENT:	None
ABSTAIN:	None



Resolution 20-221, “Resolution Authorizing the City Manager to Amend and Implement the Fiscal Year 2020 Annual Action Plan to Allocate \$1.69 Million in Unexpended and New Cares Act Community Development Block Grant (CDBG) Funds”

Resolution 20-222, “Resolution Authorizing the Use of Community Development Block Grant Funds for Rental Assistance to Low-Income Tenants Experiencing Hardship Due to the COVID-19 Pandemic through the City’s Rental Housing Relief Program and Authorizing the City Manager to Negotiate and Execute an Amendment to the Community Development Block Grant (CDBG) Agreement with Bay Area Community Services (BACS) to Administer the Program”

## **LEGISLATIVE BUSINESS**

13. Temporary Hayward Navigation Center Hotel Annex Project: Adopt a Resolution Authorizing the City Manager to Take Emergency Actions Consistent with the City of Hayward’s Shelter Crisis Declaration to Implement the Temporary Hayward Navigation Center Hotel Annex Project to House Vulnerable Homeless Individuals by Allocating \$1.21 Million in Existing Funds, Appropriating and Allocating Up to \$90,000 in Anticipated State Grant Funds, and Entering into Relevant Agreements **LB 20-060**

Staff report submitted by Deputy City Manager Ott, dated December 8, 2020, was filed.

Deputy City Manager Ott introduced Management Analyst Lobedan who provided a synopsis of the staff report.

Council Member Wahab asked staff to work with Bay Area Community services (BACS) to collect geographic data on where people are being housed; asked staff to be flexible and help non-profit agencies be self-sustained and assist the unhoused population maintain employment; and encouraged partnerships with County Supervisors.

City staff noted the City and BACS join efforts applying for grants; noted conversations have been had with local hotels; and the State was beginning to fund programs.

Mayor Halliday mentioned receipt of a correspondence which recommended that one of the hotels be centrally located and near public transit.

There being no public comment, Mayor Halliday opened and closed the public hearing at 11:08 p.m.

Council Member Wahab made a motion to accept staff’s recommendation and acknowledged staff on a job well done and thanked BACS for being an excellent partner.



**SPECIAL CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 8, 2020, 7:00 p.m.**

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Council Member Salinas seconded the motion.

It was moved by Council Member Wahab, seconded by Council Member Salinas, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-223, "Resolution to Authorize the City Manager to Take Emergency Actions Consistent with the City's Shelter Crisis Declaration to Implement a Temporary Hayward Navigation Center Hotel Annex Project to House Vulnerable Homeless Individuals by Allocating \$1.21 Million in Existing Funds, Appropriating and Allocating up to \$90,000 in Anticipated State Grant Funds, and Entering into Relevant Agreements"

**CITY MANAGER'S COMMENTS**

City Manager McAdoo made two announcements: 1) Mayor Halliday filmed a virtual tree lighting ceremony to kick off the 2020 Light Up the Season event and the video is posted on YouTube and on the Light Up the Season webpage; there are displays at City Hall and Downtown Library; on the Light Up the Season webpage, community members can post pictures of their own holiday light displays and there is an interactive map for those who want to go see displays; and 2) the City's holiday/business closure of non-essential services will be in effect on December 21, 2020 and services will resume operations on January 4, 2021.

**COUNCIL REPORTS AND ANNOUNCEMENTS**

Council Member Salinas asked City Manager McAdoo to share his gratitude with staff members who worked on housing items.

Council Member Wahab mentioned the toy drive sponsored by the Fire Department and Police Department as well as Council Member Márquez's toy drive; highlighted the Lawyer in the Library Program; congratulated community advocates and Public Works on efforts to get a drop off mailbox at the C Street Post Office; and wished a Happy Hannukah to the Jewish community.

Council Member Zermeno noted the Hayward Area Democratic Club was having a toy drive and gifts could be dropped off at Los Compadres Restaurant; and wished all a happy holiday season.

Mayor Halliday noted the next City Council meeting would be limited to Council Member Mendall's farewell and the swearing in of the four elected Council Members.

### **COUNCIL REFERRALS**

There were none.

### **ADJOURNMENT**

Mayor Halliday adjourned the special City Council meeting at 11:22 p.m., in memory of City employee, Robert Corona, who was a Sweeper Equipment Operator in the Maintenance Services Department.

Mr. Robert Corona was a Hayward resident, served the Hayward community for more than 28 years, was hired in 1992, promoted to Maintenance Worker in 1995 and then to Sweeper Equipment Operator in 2003.

### **APPROVED**

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Barbara Halliday  
Mayor, City of Hayward

### **ATTEST:**

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Miriam Lens  
City Clerk, City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
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**File #:** MIN 21-009

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Approve City Council Minutes of the City Council Meeting on December 15, 2020

**RECOMMENDATION**

That the City Council approves the City Council meeting minutes of December 15, 2020.

**SUMMARY**

The City Council held a meeting on December 15, 2020.

**ATTACHMENTS**

Attachment I      Draft Minutes of 12/15/2020



**CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 15, 2020, 7:00 p.m.**

The City Council meeting was called to order by Mayor Halliday at 7:00 p.m. The meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No 29-20 dated March 17, 2020, and the Alameda County Health Officer Order No. 20-10 dated April 29, 2020 regarding the COVID-19 pandemic. Members of the City Council, City Staff, and members of the public participated via Zoom platform.

**Pledge of Allegiance:** Council Member Mendall

**ROLL CALL**

Present: COUNCIL MEMBERS Lamnin, Márquez, Mendall, Salinas, Wahab, Zermeño  
MAYOR Halliday

Absent: None

**ELECTION**

1. General Municipal Election Results: Adopt a Resolution Declaring the Results of the November 3, 2020 General Municipal Election **LB 20-061**

Staff report submitted by City Clerk Lens, dated December 15, 2020, was filed.

City Clerk Lens provided a synopsis of the staff report.

There being no public comment, Mayor Halliday opened and closed the public comment period at 7:10 p.m.

Members of the City Council congratulated City Clerk Lens and the Alameda County Registrar of Voters for running a smooth election during COVID-9, all thirteen candidates were acknowledged for their campaigns, and elected members were congratulated for a successful election.

It was moved by Council Member Mendall, seconded by Council Member Wahab, and carried by the following roll call vote, to approve the resolution:

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

Resolution 20-224, "Resolution Acknowledging Receipt of Certificate of Election Results and Statement of Results of the General Municipal Election Held November 3, 2020, and Declaring the Results Thereof"

**PRESENTATION**

Mayor Halliday read a Proclamation issued by Supervisor Richard Valle, on behalf of the Alameda County Board of Supervisors, honoring Council Member Mendall's eight years of outstanding work, dedication, and service to Hayward residents.

Mayor Halliday presented a Certificate of Commendation to Council Member Mendall upon completion of his second four-year term as a City of Hayward Council Member and in honor of his service, legacy of contributions, and commitment to the community of Hayward from 2012 to 2020.

Assemblymember Quirk presented a Legislative Resolution on behalf of his office and Senator Wieckowski's office recognizing Council Member Mendall's stellar leadership as a member of the Hayward City Council.

Council Member Mendall was recognized for his efforts and contributions towards: sustainability, increased public safety, implementation of a ban on internet gambling, eliminating the ineffective Red Light Camera Program, his work on the Economic Development Strategic Plan, his service on the Keep Hayward Clean and Green Task Force, support of the City's Mural Program, endorsement of successful Measure C, efforts to classify the Hayward Library as LEED Platinum certified and become Hayward's first net zero energy building, championing innovative environmental policies that have received the Beacon Award from the California League of Cities and a Green Power Leadership Award from the U.S. Environmental Protection Agency, strengthening long-term fiscal stability and improving labor relations for all bargaining groups, overseeing the decision to divert 74% of Hayward waste from landfills, tirelessly advocating for youth and expansion of the homework after school program, leading the effort to pass stronger campaign finance reform rules for Hayward elections, supported increase of affordable housing requirements, his time as a member of the Citizens Advisory Commission, Planning Commission, and multiple Council standing committees, being a major force in implementing Hayward's Climate Action Plan, and helping to launch the East Bay Community Energy agency.

A video was presented showcasing a compilation of comments expressing gratitude from Mayor Halliday, Council Members, City staff, and members of the community.

Council Member Mendall acknowledged the support of his family, colleagues, supporters, community members, labor leaders, business owners, and City staff provided to him during his years of service. Council Member Mendall spoke about the accomplishments that occurred during his tenure and encouraged the City Council to keep up the good work.



**CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 15, 2020, 7:00 p.m.**

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**INSTALLATION**

City Clerk Lens administered the Oath of Office to Re-Elected Council Member Elisa Márquez, Re-Elected Council Member Mark Salinas, Re-Elected Council Member Francisco Zermeño, and Council Member-Elect Angela Andrews.

Council Member Márquez, Council Member Salinas, Council Member Zermeño, and Council Member Andrews offered words of appreciation to their families, colleagues, mentors, consultants, campaign committees, treasurers, central labor councils, building trades, volunteers, City staff, supporters, Hayward Police Officers Association, Hayward Firefighters Local 1909, Hayward Chamber of Commerce, Laborers Local 304, Northern California Carpenters, Bay East Association of Realtors, endorsers, and voters of Hayward. It was noted that Council Member Andrews was the first female African American member to be elected to the Hayward City Council.

The Mayor and Council Members congratulated the elected and re-elected members of the City Council, thanked Hayward voters for their participation, and recognized City Clerk Lens for running a fair election under unprecedented circumstances.

**LEGISLATIVE BUSINESS**

2. Mayor Pro Tempore Election: Adopt a Resolution Authorizing the Election of Mayor Pro Tempore of the City of Hayward for 2021 **LB 20-062**

Staff report submitted by City Clerk Lens, dated December 15, 2020, was filed.

City Clerk Lens provided a synopsis of the staff report.

There being no public comment, Mayor Halliday opened and closed the public hearing at 8:40 p.m.

It was moved by Council Member Salinas, seconded by Council Member Márquez, and carried by the following roll call vote, to approve the resolution electing Council Member Wahab as Mayor Pro Tempore of the City of Hayward from January 1, 2021 to December 31, 2021:

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

Resolution 20-225, “Resolution Authorizing the Election of Mayor  
Pro Tempore of the City of Hayward for 2021”

**PUBLIC COMMENTS**

Mayor Halliday opened public comment at 8:42 p.m.

Mr. Zachariah Oquenda, Community Advisory Panel (CAP) member, thanked Council Member Mendall for his service, congratulated the four elected Council Members, and reported on a CAP meeting regarding conversations about a drone program and suggested there should be a Council adopted policy.

Ms. Rita Duncan, President of the Ora Loma Sanitary District, expressed amazement with the community engagement, congratulated Council Member Andrews for her successful election noting she will serve with dignity and honor, and appreciated the City Council commitment.

Ms. Mimi Bauer, Hayward resident, read an email sent to the Council recognizing Council Member Mendall on behalf of the Fairway Park Neighborhoods Association; and also recognized City staff and the collegiality among all participants in the meeting.

Mayor Halliday closed public comment at 9:08 p.m.

**CITY MANAGER’S COMMENTS**

Mayor Halliday presented a Commendation, on behalf of the City Council, to Assistant City Manager Maria Hurtado upon her retirement recognizing her years of service, professional accomplishments, and positive impacts to Hayward.

City Manager McAdoo and members of the Council congratulated Assistant City Manager Hurtado on her impending retirement, acknowledged her contributions to the City and community of Hayward, and extended their gratitude and best wishes. Assistant City Manager Hurtado thanked the Council and her colleagues for the kind words and support throughout her time with Hayward.

City Manager McAdoo stated that non-emergency services will be closed between December 21, 2020 and January 1, 2021 for the annual holiday/business closure and encouraged residents to submit service requests via Access Hayward and wished all a happy holiday.

**COUNCIL REPORTS AND ANNOUNCEMENTS**

Council Member Wahab thanked public members for their engagement; acknowledged the City and staff for their incredible work in 2020 including the first free COVID testing site and efforts to protect residents from evictions; and wished everyone happy holidays.





**CITY COUNCIL MEETING  
REMOTE PARTICIPATION  
Tuesday, December 15, 2020, 7:00 p.m.**

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Council Member Salinas asked City Manager McAdoo to extend his gratitude to staff throughout the organization for their professionalism, resiliency, and responsiveness, and asked the Chief of Police to share his gratitude to his department and to remind them to stay safe and wished all a happy holiday season.

Council Member Márquez acknowledged the holidays can be a difficult time and encouraged people to utilize 2-1-1 and food drives, thanked colleagues for a challenging but productive year, and recognized City employees for their work during a challenging time.

Mayor Halliday stated the next City Council meeting will be January 19, 2021, mentioned the City will be unable to host the annual Martin Luther King, Jr. event but staff will announce a different celebration; encouraged all to follow directives of public health officials during the holidays; expressed gratitude for the efforts made to support the community and wished everyone a happy holiday season.

**COUNCIL REFERRALS**

There were none.

**ADJOURNMENT**

Mayor Halliday adjourned the meeting at 9:23 p.m.

**APPROVED**

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Barbara Halliday  
Mayor, City of Hayward

**ATTEST:**

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Miriam Lens  
City Clerk, City of Hayward



# CITY OF HAYWARD

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**File #:** CONS 21-021

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adopt a Resolution Accepting the Resignation of Ms. Summer Jackson from the Keep Hayward Clean and Green Task Force Effective Immediately

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting the resignation of Ms. Summer Jackson from the Keep Hayward Clean and Green Task Force, effective immediately.

**SUMMARY**

Ms. Summer Jackson was appointed to the Keep Hayward Clean and Green Task Force on September 15, 2020. Ms. Jackson's resignation becomes effective immediately per her resignation letter dated December 21, 2020 (Attachment III).

Ms. Jackson's vacated position will be filled as part of the annual appointment process for the City's appointed officials to Commissions and Keep Hayward Clean and Green Task Force.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Resignation Letter



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT** Adopt a Resolution Accepting the Resignation of Ms. Summer Jackson from the Keep Hayward Clean and Green Task Force Effective Immediately

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting the resignation of Ms. Summer Jackson from the Keep Hayward Clean and Green Task Force, effective immediately.

### **SUMMARY AND DISCUSSION**

Ms. Summer Jackson was appointed to the Keep Hayward Clean and Green Task Force on September 15, 2020. Ms. Jackson's resignation becomes effective immediately per her resignation letter dated December 21, 2020 (Attachment III).

Ms. Jackson's vacated position will be filled as part of the annual appointment process for the City's appointed officials to Commissions and Keep Hayward Clean and Green Task Force.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION ACCEPTING THE RESIGNATION OF MS. SUMMER JACKSON  
FROM THE KEEP HAYWARD CLEAN AND GREEN TASK FORCE

WHEREAS, Ms. Summer Jackson was appointed to the Keep Hayward Clean and Green Task Force on September 15, 2020, and

WHEREAS, Ms. Summer Jackson submitted a resignation letter on December 21, 2020.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby accepts the resignation of Ms. Summer Jackson; and commends her for her civic service to the City.

IN COUNCIL, HAYWARD, CALIFORNIA, \_\_\_\_\_ 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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

**From:** Summer Jackson  
**Sent:** Monday, December 21, 2020 10:41 AM  
**To:** Miriam Lens <Miriam.Lens@hayward-ca.gov>  
**Subject:** Re: Verify Address

---

**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

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Good morning Miriam,  
I will be stepping down from my position with the KHCG Task Force as I have moved. Thank you for the opportunity to work with my community.  
Best Regards,  
Summer Jackson



# CITY OF HAYWARD

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**File #:** CONS 21-022

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adopt a Resolution Accepting the Resignation of Mr. Jose Lara from the Community Services Commission Effective Immediately

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting the resignation of Mr. Jose Lara from the Community Services Commission effective immediately.

**SUMMARY**

Mr. Jose Lara was appointed to the Community Services Commission on September 18, 2018. Mr. Lara's resignation becomes effective immediately per his resignation letter dated December 31, 2020 (Attachment III).

Mr. Jose Lara's vacated position will be filled as part of the annual appointment process for the City's appointed officials to Commissions and Keep Hayward Clean and Green Task Force.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Resignation Letter



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT** Adopt a Resolution Accepting the Resignation of Mr. Jose Lara from the Community Services Commission Effective Immediately

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting the resignation of Mr. Jose Lara from the Community Services Commission effective immediately.

### **SUMMARY AND DISCUSSION**

Mr. Jose Lara was appointed to the Community Services Commission on September 18, 2018. Mr. Lara's resignation becomes effective immediately per his resignation letter dated December 31, 2020 (Attachment III).

Mr. Jose Lara's vacated position will be filled as part of the annual appointment process for the City's appointed officials to Commissions and Keep Hayward Clean and Green Task Force.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION ACCEPTING THE RESIGNATION OF MR. JOSE LARA FROM THE  
COMMUNITY SERVICES COMMISSION

WHEREAS, Mr. Jose Lara was appointed to the Community Services Commission on  
September 30, 2018, and

WHEREAS, Mr. Jose Lara submitted a resignation letter on December 31, 2020.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that  
the Council hereby accepts the resignation of Mr. Jose Lara; and commends him for his civic  
service to the City.

IN COUNCIL, HAYWARD, CALIFORNIA, \_\_\_\_\_ 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



**From:** Jose Lara  
**Sent:** Wednesday, December 16, 2020 3:12 PM  
**To:** CityClerk <CityClerk@hayward-ca.gov>  
**Subject:** CSC Departure

---

**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

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Good Afternoon Miriam,

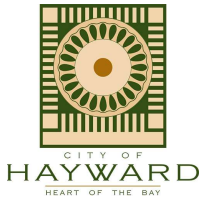
I hope this email finds you well. I am writing to you to inform you that I will be stepping down from the Community Services Commission effective after the 12/16 meeting.

This news greatly saddens me and it did not come easily as it has been an honor to serve my community these past couple of years. I am departing the commission because I will be moving to Berkeley as conditions have allowed for my girlfriend and I to find a place together. I will definitely miss this commission, staff, and fellow commissioners. I appreciate the opportunity this city and the council have given me and am grateful for the experience.

Thank you, please let me know if there is anything else I need to do.

Happy Holidays

Jose Lara Cruz



# CITY OF HAYWARD

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---

**File #:** CONS 21-007

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting Transmittal of Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020; and of the Memorandum on Internal Control and Required Communications

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) to receive and file the City's Comprehensive Annual Financial Report (CAFR) (Attachment III) and the Memorandum on Internal Control and Required Communications (Attachment IV) for the fiscal year ended June 30, 2020.

**SUMMARY**

Each year, the City conducts an independent financial audit, which is performed by an external contractor. Auditing standards require auditors to formally communicate the results directly to the agency's governing body to establish direct and effective two-way communication with Council and staff, convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management. As in previous years, the auditor's opinion on the City's financial statements for fiscal year 2020 is without exception and is unmodified. There were no significant findings with respect to either the City's FY 2019 financial statements or FY 2020 financial statements.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Comprehensive Annual Financial Report
Attachment IV	Memorandum on Internal Control and Required Communications



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting Transmittal of Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020; and of the Memorandum on Internal Control and Required Communications

#### **RECOMMENDATION**

That the Council adopts a resolution (Attachment II) to receive and file the City's Comprehensive Annual Financial Report (CAFR) (Attachment III) and the Memorandum on Internal Control and Required Communications (Attachment IV) for the fiscal year ended June 30, 2020.

#### **SUMMARY**

Each year, the City conducts an independent financial audit, which is performed by an external contractor. Auditing standards require auditors to formally communicate the results directly to the agency's governing body to establish direct and effective two-way communication with Council and staff, convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management. As in previous years, the auditor's opinion on the City's financial statements for fiscal year 2020 is without exception and is unmodified. There were no significant findings with respect to either the City's FY 2019 financial statements or FY 2020 financial statements.

#### **BACKGROUND**

The City's independent external auditor, Maze & Associates, has completed its audit of the City's financial statements for the fiscal year ended June 30, 2020. In addition to the audited financial statements, the auditors have completed and provided the required *Memorandum on Internal Control and Required Communications*. The City's Comprehensive Annual Financial Report (CAFR) represents all funds of the City, including the General Fund, Water, Sewer, Airport, and all other enterprise, special revenue, and capital funds.

Auditing standards require auditors to formally communicate the results directly to the agency's governing body to establish direct and effective two-way communication with Council and staff, convey audit matters, the scope of work, difficulties encountered, adjustments to financial statements, or any possible disagreements with management.

## **DISCUSSION**

**Comprehensive Annual Financial Report** – Staff is pleased to report that, as in previous years, the auditor's opinion on the financial statements for fiscal year 2020 is without exception and is unmodified. That is, the auditor's report is not restricted (modified) in any manner, nor does it take exception with any of the information contained in the City's financial statements. While a modification or exception is not necessarily detrimental, the ability to report that the City's financial statements continue to earn a "clean opinion" is a positive statement about the City's financial management and oversight.

Staff has submitted the fiscal year 2020 CAFR to the Government Finance Officers Association (GFOA) award program, a national award recognizing conformance with the highest standards for preparation of local government financial reports. The City of Hayward has received this award for the last thirty-four consecutive years.

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

The second letter presented to management is the *Memorandum on Internal Control*. This letter has two major objectives: (1) to advise the governing body or City Council of any significant deficiencies or material weaknesses in the City's systems of internal financial controls; and (2) to communicate to the Council any opportunities for improved controls or efficiencies that the auditors noted during the audit. This letter may also advise the Council of upcoming accounting regulations, which may affect the City's financial records. Staff's responses to the auditor's comments and recommendations are noted in the Letter.

### **FY 2020 Finding**

There were no significant audit findings.

### **FY 2019 Finding**

There were no significant audit findings.

## **STRATEGIC ROADMAP**

This agenda item is a routine operational item that does not relate to the Strategic Roadmap.

## **FISCAL IMPACT**

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

## **PUBLIC CONTACT**

On September 16, 2020, Maze & Associates presented to the Council Budget and Finance Committee an overview of the fiscal year 2020 audit process and the role of the external auditor. Staff presented the final audit findings and the CAFR to the Council Budget and Finance Committee on November 18, 2020. On December 28, 2020, an electronic copy of the City's CAFR was posted on the City's website at <https://www.hayward-ca.gov/sites/default/files/documents/FY2020-CAFR.pdf>.

*Prepared by and Recommended by:* Dustin Claussen, Director of Finance

Approved by:

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

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-\_\_\_\_\_

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

RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL  
REPORT FOR THE YEAR ENDED JUNE 30, 2020; AND THE MEMORANDUM  
ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS

WHEREAS, the audit of the financial statements and internal controls of the City of Hayward has been completed for the year ended June 30, 2020 by the City's independent auditors, Maze & Associates.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Council accepts and files the Comprehensive Annual Financial Report for the Year Ended June 30, 2020; and the accompanying Memorandum on Internal Control and Required Communications letters.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDED  
JUNE 30, 2020



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**CITY OF HAYWARD, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2020**

Prepared by:

Accounting Division, Department of Finance

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## ***INTRODUCTORY SECTION***

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# CITY OF HAYWARD, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2020

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December 18, 2020

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

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hayward for the fiscal year ended June 30, 2020. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In the opinion of management, the data is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to understand the City's financial affairs. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB).

## **FINANCIAL STATEMENT PRESENTATION**

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

The City's financial statements have been audited by Maze and Associates, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hayward, California's financial statements for the year ended June 30, 2020, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City's separately issued Single Audit Report (issued in March 2021).

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

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

## **CITY PROFILE & SERVICES**

With a population currently estimated at 160,311, Hayward is the sixth largest city in the San Francisco Bay Area and the third largest city in Alameda County. Hayward is located fourteen miles south of Oakland in the San Francisco Bay Area. The City area includes sixty-one square miles lying between the eastern shore of the San Francisco Bay and the southern Oakland-Berkeley Hills. Hayward serves as a major transportation hub and a center of commercial and industrial activity, with immediate access to major interstate freeways, rail lines, and public transit routes such as Bay Area Rapid Transit (BART). The community has more than 50,000 homes and residences of all types; and considerable commercial and industrial development. Major institutional facilities include California State University-East Bay, Chabot Community College, one major hospital, a variety of private and vocational educational institutions; and state and county offices.

### **City Structure**

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

### **City Services**

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

## **Component Units**

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

### **Local Economy**

Hayward is a diverse city with a diverse economy – comprised of a well-established and growing business community that represents a balance of retail, industrial, and advanced technologies. In fiscal year 2020, the City of Hayward economy began the year experiencing a modest improvement similar to the rest of the State – as did many other cities in the San Francisco Bay Area. This improvement halted as the local economy began to suffer from the effects of the COVID-19 pandemic and related shelter in place orders that either limited or prohibited operations of many businesses in the community.

Late in fiscal year 2020 the Nation and State entered a recession. The Country hit record levels of unemployment in the fourth quarter of the fiscal year. Early reports indicate that the State's economy improved in first quarter of the fiscal year 2021 and the Hayward economy reflected this improvement. The Employment Development Department data reflects that the unemployment rate in Alameda County as of October 2020 was 11.0%, which is up from 2.8% in 2019. This improvement may, however, be short lived as the state issued a new Stay Home Order in early December 2020. The impacts of this action on the local economy are currently unknown.

In spite of the recession, Hayward has seen a year over year increase of 7.0% in its assessed valuation in 2020. The median residential home value is about \$702,173 in September 2020 versus \$647,000 a year ago. The total Assessed Valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$24.3 billion in FY 2020, as real estate values that have been restored to pre-Great Recession levels, higher sales prices, and new developments. The City's property tax revenues increased by 5% in FY 2020 as compared to FY 2019.

From 2008-2012 the City saw a cumulative loss of \$12.4 million in sales tax revenue, due in large part to lagging automobile sales, along with decreases in business-to-business, construction, and other retail sectors. While the City has seen an erosion in some business segments, this revenue source has been fully restored to pre-recession levels. The City's Measure C District tax revenues as approved by the voters in 2014, (\$16.9 million in FY 2020) dramatically increased total Sales Tax revenues. However, these revenues are targeted for specific activities as outlined in the documents to place the measure on the ballot in 2014; therefore, to get the true story of the City's Sales Tax, these revenues should be considered separately.

On May 19, 2009, the voters of the City of Hayward approved Measure A allowing for the collection of a 5.5% utility users tax to maintain key essential services and prevent further reductions to basic City services. The tax was extended to FY 2039 after the voters approved Measure D in 2016. The utility users' tax revenue for fiscal year 2020 was \$16.1 million.

While the City tries to remain optimistic, management has mixed views regarding the outlook for the future due to the continued growth of expenditures related to employee benefits and deferred infrastructure improvements. Controlling expenditures has been a key element in responding to the City's fiscal challenges. Management and employee groups have successfully partnered to implement significant structural savings and cost-sharing that will assist the City in achieving long-term fiscal sustainability shown by the fact that all but one of the City's employee groups agreed to offer concessions as the City struggled to offset the impacts on revenues.

### **Factors Affecting the City's Financial Condition**

In addition to the unforeseen impacts of the COVID-19 pandemic, the City faces similar challenges to other local jurisdictions in California. In addition to rising operating and capital costs, the City has lost over \$100 million in local revenues to the State since 1994. The State's ability to take local government revenues, the loss of the City's redevelopment agency being a prime example, has significantly hampered the future plans of local governments for years to come. In addition, the State's continued policy to push services down to the local level without reallocating revenue to support the service delivery is a continued challenge.

### **Long-term Perspective**

The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. The City worked incredibly diligently to reduce the amount of reserves used during FY 2020 and will continue to do so moving forward while the effects from the COVID-19 pandemic continue. While the City has consistently worked to balance its budget, Hayward must continue this effort and make additional adjustments to its general fund expenditures to address and resolve an ongoing structural deficit largely driven by rising employee benefit costs.

The City employs long-term planning as the framework for its fiscal decisions and recently updated its forecasting model to provide a comprehensive and agile tool projecting the City's finances for a ten-future fiscal year period for the General Fund as well as other key operating funds. While the General Fund structural budget gap has been greatly reduced as compared to years past, the City continues its efforts to eliminate structural gaps and achieve a more stable fiscal outlook on a long-term basis.

While Hayward's underlying economy is viewed as stable and positive in the long-term, today's economic challenges, notably to the City's General Fund, must be dealt with immediately to ensure long-term economic stability. The other enormous challenge is continuing to provide an ever-increasing high level of service to the community with limited resources and rising employee benefit costs – while ensuring long-term economic stability.

## **MAJOR INITIATIVES & ACCOMPLISHMENTS**

In early 2020, the Hayward City Council adopted the City's "Strategic Roadmap," which included six priority areas: Preserve, Protect & Produce Housing; Grow the Economy; Combat Climate Change; Improve Infrastructure; Improve Organizational Health; and Support Quality of Life. Through the budget planning process, and with City Council direction, the management team has aligned its program priorities and service delivery objectives with these Strategic Priorities. Some of the accomplishments and ongoing efforts in these Priority areas are discussed below.

### **Capital Improvement Program**

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP). The capital budget for FY20 totaled about \$148 million, with approximately \$520 million tentatively programmed for the entire ten-year period from FY20 through FY29. While the City's CIP Projects touch the Combat Climate Change, Support Quality of Life, and Improve Organizational Health Priorities, they predominantly support the Improve Infrastructure Priority.

### **Improve Infrastructure Priority**

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

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

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

Phase 3 is the final phase of the Mission Boulevard Corridor Improvement Project. Like the Phases before it, Phase 3 will focus on improving multi-modal access on Mission Blvd along the stretch from A Street to the north City limit at Rose Street. Improvements will include a bike lane adjacent to the sidewalk (Cycle Track), new sidewalk, curb ramps, pavement, traffic signals, street lighting, transit improvements, landscaping, undergrounding of overhead utilities, and a new gateway feature at Rose Street. Design work on Phase 3 is anticipated to be completed by December 2020. Construction is anticipated to start in Spring 2021.

***Construct Fire Station No. 6 & Fire Training Center:*** Located on West Winton Avenue, adjacent to the Hayward Executive Airport, the New Fire Station 6 and Fire Training Center Project involves the replacement of the existing Fire Station 6 and Fire Training Center with nine new buildings and structures. New buildings will include: Fire Station 6/Classroom Building, Apparatus Building, Training Tower, Burn Building, Storage Building, Hangar Building, USAR/BART Training Structure, Outdoor Classroom, Entry Canopy, and a parking lot. The project will also include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Design work was completed in April 2020. Construction started in August 2020 and is anticipated to be complete in the Fall 2022.

***Complete Initial Phase of Recycled Water Project:*** To improve overall water supply reliability and conserve drinking water supplies, the City has been working to implement a recycled water system to deliver tertiary-treated recycled water to sites near the WPCF for landscape irrigation and industrial uses. Construction of the storage tank, pump station, and distribution pipeline system was completed in FY20. Construction of the treatment facility and customer connections to the recycled water system is currently underway, and recycled water deliveries to the first phase of customers are anticipated to begin in mid-FY21. The Phase I customer sites include four parks, six schools, one college, nineteen private businesses, and City street landscaping.

***Design & Construct Capital Improvements to Airport Hangars:*** The FY19 CIP included a Hangar Condition Assessment (HCA), through which a consultant was hired to conduct a physical evaluation of various Airport-owned hangars. The final assessment was provided to Airport staff in mid-FY20. In concert with the City's Council Airport Committee, and with input from the tenants, a ten-year maintenance schedule was developed based on this assessment. Implementation of this maintenance schedule began in FY20, and activities in the first two years of the ten-year plan will primarily involve roof repairs -- particularly those required of the larger executive hangars, which are in the greatest need of refurbishment.

## **Combat Climate Change Priority**

***Reduce Carbon Emissions – Transition 15% of Total City Fleet to EV/Hybrid Models:*** The City maintains a fleet of approximately 450 vehicles and equipment units. The useful life of these fleet units is maximized and managed via the Fleet Capital Replacement Plan. The Plan identifies replacement timelines based on age, mileage, maintenance, and safety. When it comes time to retire a unit, carbon emissions are key consideration in the selection of its replacement.

In FY20, 40 vehicles were scheduled for replacement, and 18 of the new replacement vehicles purchased were either electric or hybrid vehicles. Three of those 18 vehicles included patrol vehicles. Staff are monitoring these hybrid patrol vehicles to ensure they meet the necessary operation and performance requirements in the field. If demonstrated to perform as required, the Fleet Division will continue to work to hybridize the patrol fleet as those vehicles reach the end of their useful life. Staff will also work to invest in electric vehicles (EV) where possible within current replacement cycles and budget parameters. Development of an implementation plan to increase City EV charging infrastructure is necessary in order to accommodate future increases in the City’s EV Fleet.

## **Support Quality of Life Priority**

***Complete Tennyson & Jackson Corridor Landscape Beautification:*** In FY18, as part of the City Council’s Tennyson Corridor Strategic Initiative, staff began renovating the medians along Tennyson Corridor in an effort to transform this busy corridor into a visually appealing community gateway. The three-year project involves new trees, plants, bark chips, pavers, and more, and is anticipated to be completed in FY21. Similar median beautification efforts are planned for the Jackson Corridor, another key arterial road within the City. Also a three year-long project, this effort is scheduled to commence in FY22.

***Implement Targeted Illegal Dumping Prevention Program:*** In a focused, proactive effort, staff are working to implement a pilot program to reduce illegal dumping by initiating a “Bring the Dump to You” pilot program. Illegal dumping refers to the act of dumping large amounts of garbage such as furniture, appliances, and hazardous waste instead of disposing of it properly. Dumped materials attract additional dumping and criminal activities, among other negative community effects. As part of this pilot, staff will mail postcards to identified neighborhoods, letting them know that the City will be providing localized trash collection dumpsters during a designated day to allow for disposal of unwanted items. Staff will evaluate the success of the program by measuring illegal dumping in the area before and after the event.

***Complete LaVista Park:*** In partnership with Hayward Area Recreation and Parks District (HARD), La Vista Park is a 50-acre destination park located a quarter-mile east of the intersection of Tennyson Road and Mission Boulevard in South Hayward. The project is currently undergoing a CEQA update, which could take up to eighteen months. Construction bid documents are anticipated to be completed by Winter 2023, and construction is planned to commence in Spring 2024.

## **Improve Organizational Health Priority**

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

## **FINANCIAL INFORMATION**

### **Organizational Health and Fiscal Stability**

**Long Range Financial Planning:** The City continues to refine its long range financial planning tools as part of managing the annual budget for the General Fund, other key revenue funds such as internal service and enterprise funds, and the Capital Improvement Program. Utilizing a ten-year approach has helped the City identify and plan accordingly to manage potential future structural deficits.

**Long-term Debt Ratings:** The City maintains excellent ratings on all of its debt issuances. In recent fiscal years, the City has received very high ratings from the various rating agencies, including a AA rating from both Fitch and Standard & Poor's of the 2015 Certificates of Participation and a AA+ rating by Standard & Poor's for the 2013 Water Bonds. The City also has an implied general obligation rating of AA+ with a stable outlook from both rating agencies. Standard & Poor's Ratings Services recently reviewed the rating of the 2004 and 2006 TABS and upgraded its rating from A- to A and affirmed a stable outlook. In October, 2020, Fitch affirmed the City's AA+ Issuer Default Rating and maintained the City's outlook as stated. This opinion is likely to improve given recent changes to the City's fiscal outlook. A critical component of the rating agency review is the City's financial management status - i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

**Internal Controls:** The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to prepare the City's financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management.

### **Budgetary Controls & Financial Policies**

The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management.



**Budget Control:** Budgetary controls ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Per the City Charter, the City Council is required to adopt an annual budget resolution prior to July 1 of each fiscal year. Activities of all funds, except agency funds, are included in the Annual Budget. The City also adopts a ten-year capital improvement program, appropriating the current year's expenditures in the annual budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Manager may authorize transfers of appropriations in the adopted budget within funds; however, any revisions which alter the total expenditures of any fund must be approved by the City Council.

**Long-term Planning:** One of the financial policies noted above outlines the City's goals related to long-range financial forecasting. As recommended by the policy, the City annually prepares and adopts a ten-year financial plan for the General Fund as part of the operating budget.

In addition, the City maintains long-range forecasting models for other key operating funds, including a capital improvement program plan. The City adopts a ten-year Capital Improvement Program annually, that includes planned capital projects in the areas of transportation, low to moderate income housing, pedestrian access, utilities, airport, and internal services capital replacements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City of Hayward and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding.

**Debt Administration:** Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2020, the City had total debt outstanding of \$127.6 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

**Cash Management:** The City's investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. The City hired a third-party investment manager in July 2012 to assist in managing and balancing the City's pooled cash portfolio, and improving the overall yield within policy guidelines.

**Reserve Policies:** In complying with the provisions of GASB Statement 54 (fund balance reporting and fund type definitions), some of the current reserve designations have changed. For FY 2020, the policy states that General Fund reserves for economic uncertainty and liquidity should be no less than two months of city operating costs or at least 20% of budgeted General Fund operating expenditures. While further delineated in the accompanying MD&A, at the end of fiscal year 2020, the unassigned fund balance of the General Fund was \$25.3 million, while the total fund balance was \$52.7 million (includes non-cash outstanding receivables of over \$5.2 million and \$21.8 million in Measure C District Tax cash balance). The unassigned fund balance represents 13.7% of total General Fund expenditures of \$184.1 million (including Transfers Out).

## AWARDS AND ACKNOWLEDGEMENTS

### Award Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Hayward for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the thirty fourth consecutive year that the City of Hayward has received this prestigious national award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This Report must also satisfy both GAAP and applicable legal requirements.

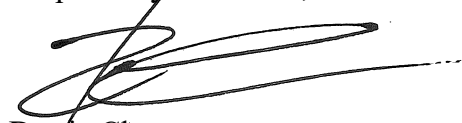
A *Certificate of Achievement for Excellence in Financial Reporting* from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and staff will submit it to the GFOA to determine eligibility for another certificate.

### Acknowledgements

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff, as well as the audit firm of Maze & Associates. All those who contributed to the preparation of this report deserve commendation for their dedication and hard work. I would like to express special appreciation to Marichu Maramba, Accounting Manager; Michelle Polintan, Senior Accountant; Denise Robles, Accountant; Michele Tan, Accountant; and the entire Accounting Division staff.

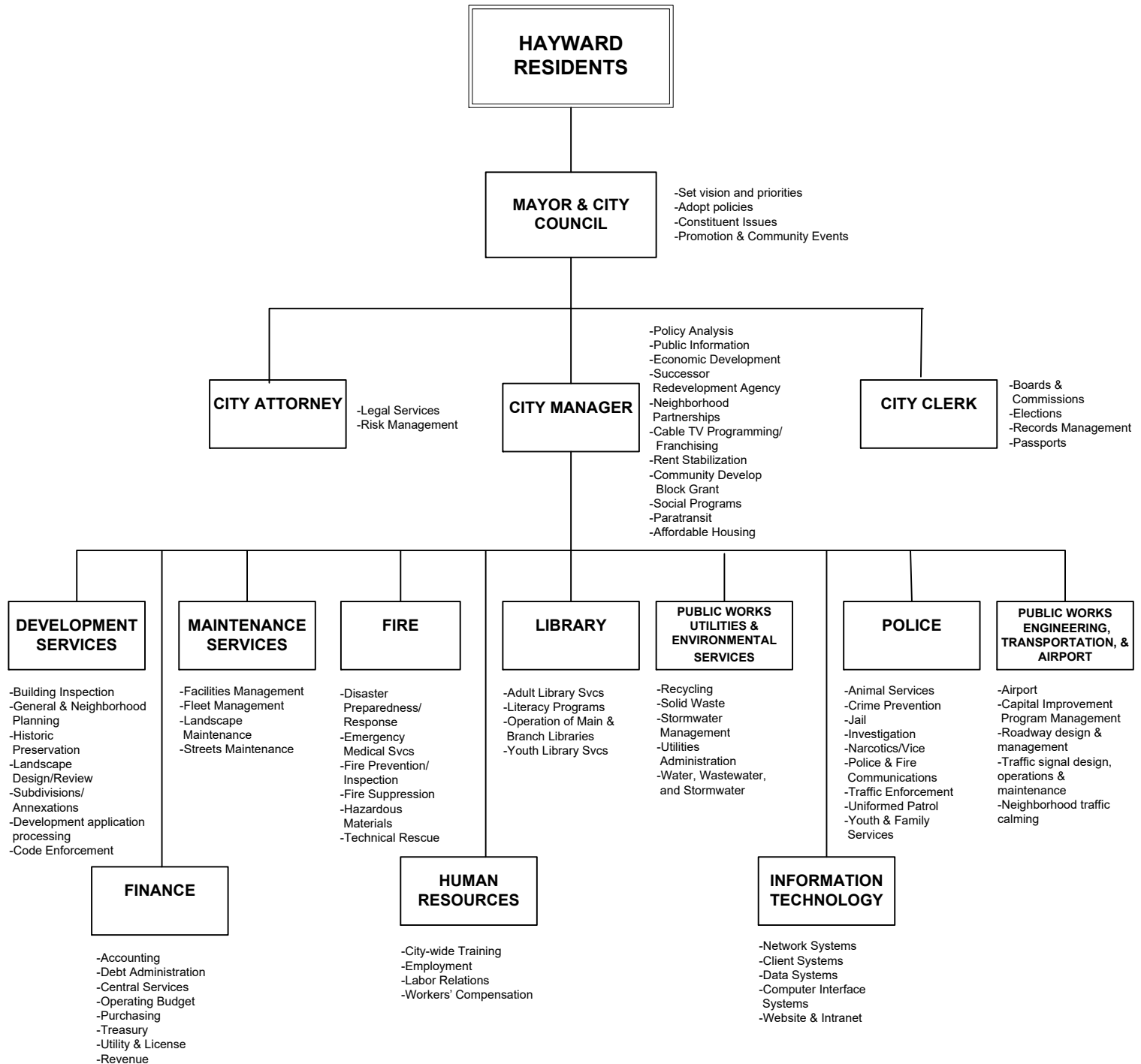
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,

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

Dustin Claussen  
Director of Finance  
City of Hayward

# CITYWIDE ORGANIZATION



## ELECTED OFFICIALS

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The Mayor and six Council members represent Hayward residents, adopt public policy, and approve resource allocations consistent with community priorities. The City Council generally meets the first, third, and fourth Tuesday of each month at 7:00 p.m. in Council Chambers, 2nd Floor of 777 B Street, Hayward, CA 94541. The public is invited and encouraged to attend Council meetings.



**Barbara Halliday**  
Mayor  
Term Expires 2022



**Mark Salinas**  
Council Member  
Term Expires 2020



**Sara Lamnin**  
Council Member  
Term Expires 2022



**Aisha Wahab**  
Council Member  
Term Expires 2022



**Elisa Márquez**  
Council Member  
Term Expires 2020



**Francisco Zermeño**  
Council Member  
Term Expires 2020



**Al Mendall**  
Council Member  
Term Expires 2020

## ADMINISTRATIVE STAFF

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### Appointed by City Council

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

### Department Directors

Assistant City Manager	Maria Hurtado
Deputy City Manager	Jennifer Ott
Development Services	Laura Simpson
Finance	Dustin Claussen
Fire	Chief Garrett Contreras
Human Resources (interim)	Maria Hurtado
Information Technology	Adam Kostrzak
Library	Jayanti Addleman
Maintenance Services	Todd Rullman
Police	Chief Toney Chaplin
Public Works - Engineering, Transportation & Airport	Alex Ameri
Public Works - Utilities & Environmental Services	Alex Ameri



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hayward  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO

## ***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S OPINION

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

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hayward (City), California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
December 18, 2020

## **CITY OF HAYWARD, CALIFORNIA**

### **Management's Discussion and Analysis**

As management of the City of Hayward (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found in the preceding introductory section of this report, and with the City's basic financial statements and accompanying notes to those financial statements.

#### **Financial Highlights**

- ❑ At the close of the most recent fiscal year, the City's asset and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$410.4 million (*total net position*). Excluding the \$440.4 million net pension liability, \$267.1 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- ❑ The City's total net position increased by \$41.4 million over fiscal year 2019. Governmental activities, including the General Fund, increased by \$13.0 million and Business-type activities increased by \$28.4 million.
- ❑ As of June 30, 2020, the City's governmental funds reported combined fund balances of \$165.1 million, an increase of \$9.6 million from the prior year.
- ❑ At the end of fiscal year 2020, total fund balance for the General Fund was \$52.7 million, an increase of \$2.1 million over fiscal year 2019. The total fund balance is comprised of \$5.2 million in non-spendable (illiquid reserves), \$22.1 million in assigned (liquid reserves designated for specific purposes), and \$25.3 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$25.3 million represents 13.7% of total General Fund expenditures including Transfers Out. The \$5.2 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2020 ended with a net decrease to the General Fund, General Purpose Fund Reserve of \$6.0 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2020, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$348.9 million; an increase of \$28.4 million from the previous year.

#### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary budget vs. actual information and other statistical supplementary information.

**Government-wide Financial Statements.** (pages 17-19) The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* (see Table 1 below on page 6) presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It should be noted that net position includes liquid and illiquid assets (cash and non-cash).

The *statement of activities and change in net position* (see Table 2 below on page 8) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow impacts in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include: general government; public safety; public works and transportation; library and community services; planning and building; maintenance services; and interest on long-term debt. The business-type activities of the City include: sewer and water services; storm water runoff management; and the Hayward Executive Airport.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

**Governmental Funds.** (pages 22-28) Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The City maintains twenty-three individual government funds for financial reporting. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Federal Grants, Housing Authority, Route 238 Corridor Improvement Fund and General Capital Projects Fund all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this Report. *Combining statements* present and summarize all the details of the non-major funds.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for all governmental funds with annually adopted budgets. The budget comparison statements for the General Fund, Federal Grants Special Revenue Fund, Housing Authority Capital Project Fund, the Route 238 Corridor Improvement Capital Project Fund and General Capital Projects Fund are located in the financial statements starting on page 106 of this report. All other major and non-major funds with legally adopted annual budgets are located in the supplementary information section.

***Proprietary Funds.*** (pages 30-32) The City maintains two different types of *proprietary funds*, the Enterprise Funds and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water runoff, and airport operations. The *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Workers Compensation, General Liability, Fleet Management, Facilities, Information Technology, and Employee Benefits Funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the *government-wide financial statements*, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water Funds which are considered to be major funds. Conversely, the Airport Fund and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the *Internal Service Funds* section of this Report.

***Fiduciary Funds.*** (pages 34-35) Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

**Notes to the Basic Financial Statements.** (pages 37-90) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, supplementary information on major and non-major governmental funds and internal service funds are presented in this report. Combining and individual fund statements and schedules can be found beginning on page 106 of this Report.

### **Government-wide Financial Analysis**

The *statement of net position* and the *statement of activities* of the City's governmental activities and business-type activities are presented below in Tables 1 and 2.

***Statement of Net Position.*** As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City, total assets exceeded total liabilities by \$410.4 million at the close of the current fiscal year, an increase from the prior year of \$41.4 million. The change in the combined net position includes an increase of \$13.0 million in Governmental Activities, and an increase of \$28.4 million in Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets	\$230.8	\$216.8	\$248.7	\$219.7	\$479.6	\$436.5
Capital assets	420.9	413.4	190.5	191.8	611.4	605.2
<b>Total assets</b>	<b>651.8</b>	<b>630.2</b>	<b>439.2</b>	<b>411.5</b>	<b>1,091.0</b>	<b>1,041.7</b>
<b>Deferred outflows</b>	<b>67.6</b>	<b>61.3</b>	<b>4.6</b>	<b>3.9</b>	<b>72.2</b>	<b>65.2</b>
<b>Liabilities</b>						
Long term debt outstanding	85.6	86.5	42.0	39.9	127.6	126.4
Other liabilities	532.3	541.8	46.9	53.5	579.2	595.3
<b>Total liabilities</b>	<b>617.9</b>	<b>628.3</b>	<b>88.9</b>	<b>93.4</b>	<b>706.8</b>	<b>721.7</b>
<b>Deferred inflows</b>	<b>39.9</b>	<b>14.7</b>	<b>6.0</b>	<b>1.6</b>	<b>45.9</b>	<b>16.3</b>
<b>Net position:</b>						
Net investments in capital assets	341.0	329.5	148.4	148.4	489.4	477.9
Restricted	94.1	41.1	0.3	0.0	94.4	41.1
Unrestricted*	(373.5)	(322.1)	200.2	172.1	(173.3)	(150.0)
<b>Total net position</b>	<b>\$61.5</b>	<b>\$48.5</b>	<b>\$348.9</b>	<b>\$320.5</b>	<b>\$410.4</b>	<b>\$369.0</b>

\* Unrestricted net position for June 30, 2020, included the City's \$440.4 million net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2020 City's net position, \$489.4 million, reflects its investment in capital assets (e.g. land; buildings; street infrastructure; sewer and water pipelines; machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources (future revenue), since the capital assets themselves cannot be used to liquidate these liabilities.

In fiscal year 2020, the City's net position included \$72.2 million in deferred outflows of resources. Of this amount, \$57.9 million is related to pensions. This includes \$36.0 million related to pension contributions after the measurement date, as well as \$21.9 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$13.7 million of the deferred outflows are related to other post-employment benefits (OPEB). \$7.5 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$6.2 million is related to changes in assumptions and trust performance. Finally, \$0.7 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$127.7 million includes \$9.8 million due within one year, as well as an additional \$117.9 million due in future years.

The largest share of the City's other liabilities is comprised of \$440.4 million in net pension liabilities and \$79.2 million in OPEB liabilities, as detailed in Note 12 and Note 14, respectively. Other major liabilities include \$27.0 million in accrued liabilities, \$12.3 million in accounts payable, \$9.5 million in total compensated absences, and \$7.9 million in refundable deposits.

Deferred inflows of resources totaled \$45.9 million in fiscal year 2020, \$7.9 million related to pensions and \$38.1 million related to OPEB. Pension-related deferred inflows are comprised of \$1.5 million in differences between actual and expected experience; \$2.3 million in changes to calculation assumptions; and \$4.1 million in net difference between projected and actual earnings on investments. OPEB-related deferred inflows are due to changes of liability assumptions.

A portion of the City's net position, \$94.4 million, represents the resources that are subject to external restrictions on how they may be used. Almost all of the restricted net position is related to City's special revenue and capital projects funds. Excluding the \$440.4 million net pension liability, \$173.3 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.

***Statement of Activities.*** The Statement of Activities provides information about all the City's revenues and expenses, with an emphasis on measuring net revenues or expenses of each of the City's programs and explains in detail the change in Net Position for the year. The City's governmental activities net position increased by a net total of \$13.0 million.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Program revenues</b>						
Charges for services	\$21.8	\$26.0	\$100.7	\$105.6	\$122.4	\$131.6
Operating contributions and grants	14.8	14.9	0.1	-	14.9	14.9
Capital contributions and grants	5.8	4.8	-	-	5.8	4.8
	42.3	45.7	100.8	105.6	143.1	151.3
<b>General revenues</b>						
Property tax	58.9	56.0	-	-	58.9	56.0
Sales tax	56.6	52.9	-	-	56.6	52.9
Utility user tax	16.1	16.9	-	-	16.1	16.9
Real property transfer tax	12.2	12.3	-	-	12.2	12.3
Franchise fees	10.6	9.7	-	-	10.6	9.7
Other taxes	15.1	15.5	-	-	15.1	15.5
Investment earnings	3.3	3.3	5.1	4.3	8.4	7.6
Gain on sale of land for resale	-	11.0	-	-	-	11.0
Loss from equity investment	-	-	-	(0.1)	-	(0.1)
Miscellaneous	15.2	7.8	-	-	15.2	7.8
General revenues subtotal	187.8	185.4	5.1	4.2	192.9	189.6
<b>Total Revenues</b>	<b>230.1</b>	<b>231.1</b>	<b>105.9</b>	<b>109.8</b>	<b>336.0</b>	<b>340.9</b>
<b>Expenses by activity</b>						
General Government	30.3	26.8	-	-	30.3	26.8
Public safety	128.6	130.1	-	-	128.6	130.1
Public works and transportation	22.1	26.1	-	-	22.1	26.1
Library and neighborhood services	11.0	10.0	-	-	11.0	10.0
Economic development	2.6	2.2	-	-	2.6	2.2
Planning and building	10.7	10.7	-	-	10.7	10.7
Maintenance services	12.1	12.0	-	-	12.1	12.0
Interest on long term debt	2.8	2.9	-	-	2.8	2.9
Sewer	-	-	20.1	22.1	20.1	22.1
Water	-	-	47.7	46.8	47.7	46.8
Airport	-	-	3.8	4.0	3.8	4.0
Stormwater	-	-	2.8	2.8	2.8	2.8
Recycling	-	-	0.0	-	0.0	-
<b>Total expenses</b>	<b>220.2</b>	<b>220.8</b>	<b>74.4</b>	<b>75.7</b>	<b>294.5</b>	<b>296.5</b>
Increase (decrease) before transfers	9.9	10.3	31.5	34.1	41.5	44.4
Transfers	3.1	3.7	(3.1)	(3.7)	-	-
Change in Net Position	13.0	13.9	28.4	30.4	41.5	44.4
Beginning Net Position	48.5	34.6	320.5	290.1	369.0	324.7
<b>Ending Net Position (June 30)</b>	<b>\$61.5</b>	<b>\$48.5</b>	<b>\$348.9</b>	<b>\$320.5</b>	<b>\$410.5</b>	<b>\$369.0</b>

### Governmental Activities Revenues

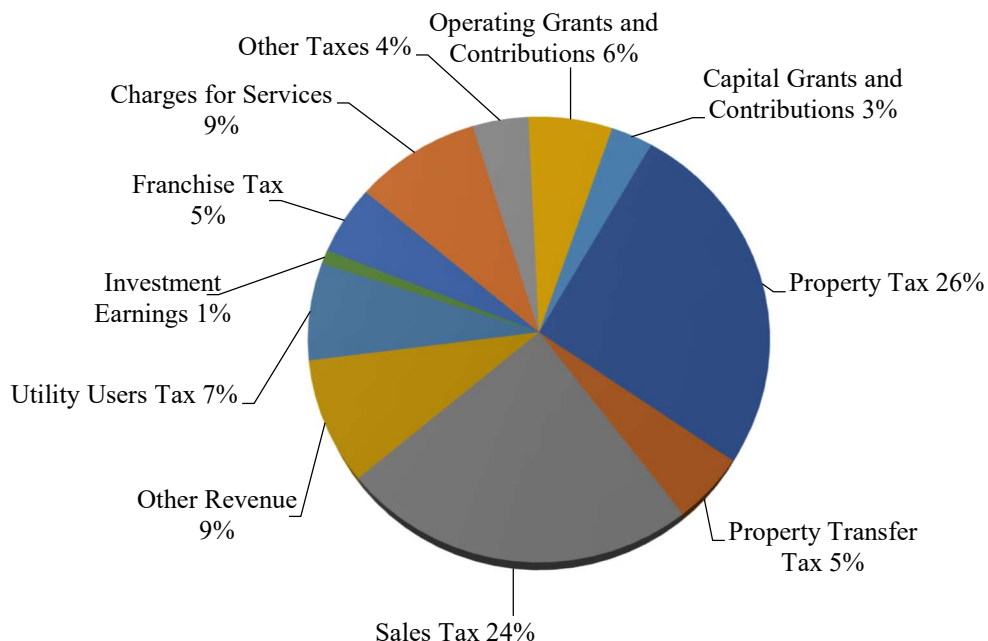
Governmental revenues are categorized as Program Revenues and General Revenues. Program revenue includes charges for services such as traffic safety fines, licenses, permits, plan check fees, building inspection and other construction related fees. Contributions and grants include amounts contributed by developers and grants from state and federal government, of which the majority is public works capital grants. General Revenues includes general taxes (property, sales, etc.). Total revenues decreased by \$1.0 million:

- A Gain on Sale of Land for Resale sale of city property along the Route 238 corridor increased one-time revenues in 2019 \$11 million, with a corresponding decrease in 2020.



- ❑ Charges for Services decreased by \$4.2 million versus prior year, as a result of a reduction in services offered during the initial months of the Covid-19 pandemic.
- ❑ Operating contributions and grants decreased by \$0.1 million compared to prior year due to a small reduction in the amount of award grant money from outside agencies.
- ❑ Capital contributions and grants increased slightly by \$1.0 million over the prior year.
- ❑ Property Taxes increased by \$2.9 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$3.7 million over the prior year, due to increased collection of sales taxes on online sale as a result of the *Wayfair* decision in FY 2019 as well as moderate business to business growth.
- ❑ Real Property Transfer Tax remained largely stable, with a decrease of \$0.1 million versus 2019. The bulk of the effect on RPTT of the slowdown prompted by the Covid-19 pandemic are expected for 2021.

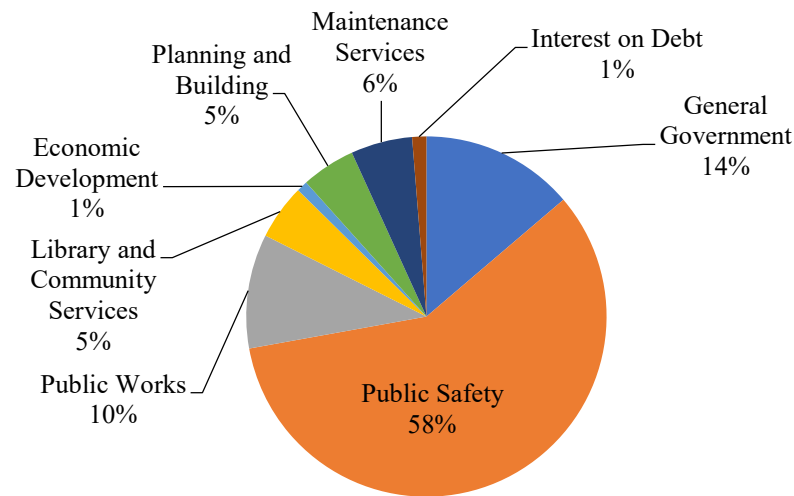
**Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2020**



### **Governmental Activities Expenses**

The governmental expenses (excluding transfers) decreased by \$0.6 million to \$220.2 million. Operational cost reductions of \$3.6 million in public works and \$1.5 million public safety were offset by an increase of \$3.4 million in general government costs in response to the Covid-19 pandemic and \$1.0 million in costs associated with the operation of the new 21<sup>st</sup> Century Library. Chart 2, *Expenses by Function* summarizes governmental expenses by category.

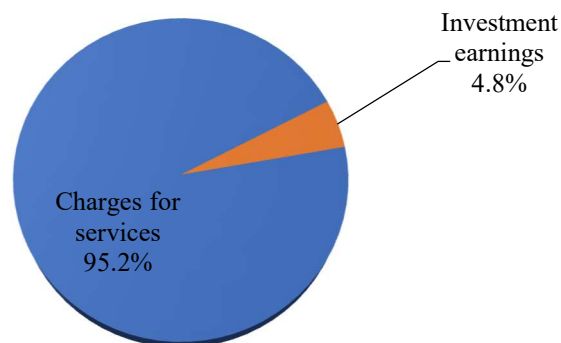
**Chart 2 – Expenses by Function – Governmental Activities for Fiscal Year 2020**



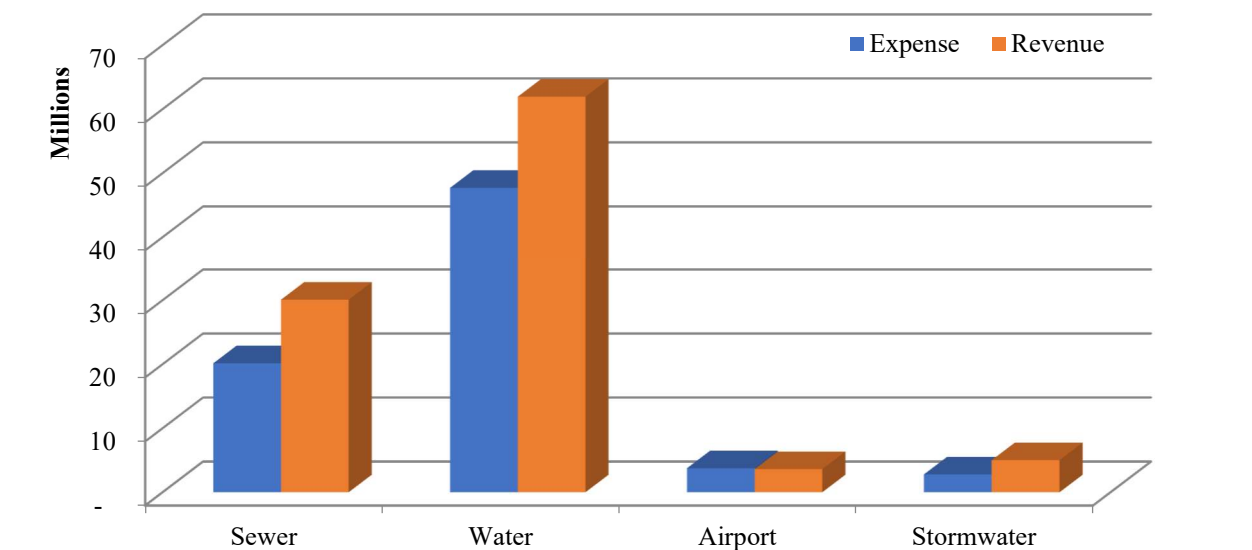
**Business-Type Activities.** The net position of business-type activities was \$348.9 million at June 30, 2020, an increase of \$28.4 million from last fiscal year. Program revenues totaled \$105.9 million, while program expenses totaled \$74.4 million.

As the *Revenue by Source* chart indicates, charges for utility services account for 95.2% of the revenue for the City's enterprise funds. Most of the revenues are generated by the Water and Sewer enterprises.

**Chart 3 – Revenues by Source – Business-type Activities**



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



The *Expenses and Program Revenues* chart above illustrates both expenditures and revenues for operations and capital improvements for the City’s business-type activities.

Water, Sewer and Stormwater Funds increased their net position. Sewer saw an increase of \$9.9 million, water increased by \$14.2 million and Stormwater increased by \$2.2 million. Given future capital expenses to be borne by these funds and increased water usage, this is an appropriate level of revenue growth. The Airport Fund experienced a decrease in net position of \$0.1 due to flat revenues and despite a \$0.3 million reduction in expenses.

### **Financial Analysis of the Government’s Funds**

**Governmental Funds.** The purpose of the City’s governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s funding requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year. It should be noted that unassigned amounts are designated by City Council for specific purposes.

At the end of fiscal year 2020, the City’s governmental funds reported combined ending fund balances of \$165.1 million, an increase of \$9.6 million over prior year, due to reductions in operation and capital expenditures across all city functions. Approximately \$149.0 million of the fund balance or 90.2% represents Non-Spendable, Restricted, and Assigned fund balances; and \$16.1 million or 9.8% is Unassigned and is available for spending at the City’s discretion pursuant internal and statutory restrictions, this amount represents the General Fund Reserve balance.

**General Fund.** The General Fund, by definition, is a major governmental fund and represents all funds not required to be accounted for or presented as other funds. The General Fund accounted for 80.0% of the total governmental revenues and 77.1% of the total expenditures. Several primary City services are accounted for in the General Fund, including public safety (police and fire services), general government, development services, maintenance services, and library and community services.

At the end of fiscal year 2020, the General Fund's Unassigned fund balance was \$25.3 million (exclusive of Measure C), a decrease of \$5.2 million from the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$52.7 million, an increase of \$2.1 million from the prior fiscal year. This difference is due to a reduction in transfers out to capital projects funded by the Measure C District Sales Tax. Measure C transfers were reduced by \$12.7 million versus prior year, largely because of the completion of major construction on the 21<sup>st</sup> Century Library project. The reduction in capital transfers offsets the \$6.0 million of General Fund balance used in fiscal year 2020 in response to the Covid-19 pandemic.

As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 14.7% of total General Fund expenditures of \$172.7 million (including Transfers Out).

**General Fund Budgetary Highlights.** Fiscal year 2020 ended with a Net Change in Fund Balance of \$2.1 million (GAAP Basis).

**Table 3 – Fiscal Year 2020 General Fund Budget Summary** *(in thousands)*

<i>(reflected in thousands)</i>	A 2020 Adopted	B 2020 Adjusted	C 2020 Actual	Variance (C-B)	Variance %
Revenues	\$185,605	\$184,508	\$183,535	\$(973)	-1.0%
Expenditures	165,206	171,522	166,507	(5,015)	-2.9%
Transfers In/(Out)	(44,524)	(44,524)	(14,926)	29,597	-66.5%
<b>Net Change in Fund Balance (Budget Basis)</b>	<b>\$(19,497)</b>	<b>\$(31,568)</b>	<b>\$2,101</b>	<b>\$33,669</b>	

The net change in fund balance for fiscal year 2020 based on actual performance (column C) is positive \$2.1 million. The net change in fund balance is primarily attributed to a reduction in capital outlays and transfers to other funds. This fund balance summary on page 106 reflects the Net Change in Fund Balance on a budget basis. Generally accepted accounting principles (GAAP Basis) require that all funds not required to be accounted for in other funds be included in the General Fund, resulting in several general ledger funds being combined and reported as the General Fund in the financial statements. These adjustments represent the GAAP Basis Fund balance and form a Net Change in Fund Balance of positive \$2.1 over prior year.

**Other Major Governmental Funds.** In addition to the General Fund, there are four other governmental funds considered to be major due to significant balances or activities in the current year and warrant a separate discussion in the management discussion and analysis: Federal Grants, Housing Authority Capital Projects Fund and General Capital Projects Fund.

*Federal Grants Fund* accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

*The Housing Authority Fund Capital Projects Fund* maintains loans for affordable housing projects.

*The General Capital Projects Fund* Accounts for General Fund and special revenue fund acquisition and construction of general-purpose public facilities, street resurfacing and improvements.

**Proprietary Funds.** The City’s proprietary-enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of fiscal year 2020, the unrestricted net position of the Sewer and Water Funds amounted to \$99.8 and \$89.0 million, respectively. Sewer net position increased by \$14.9 million and Water net position increased to \$11.3 million. This change in net position is consistent with fiscal year 2019, in which Sewer and Water net position increased \$15.6 million and \$14.8 million respectively

**Fiduciary Funds.** The Successor Agency to the Redevelopment Agency Private Purpose Trust Fund provides information about the City’s former Redevelopment Agency. In fiscal year 2020 the fund ended with a net position of \$5.6 million, an increase of \$2.0 million over prior fiscal year. The Successor Agency Fund is supported by property taxes, investment income, and rental income. These revenues exceeded the funds expenses in both the current and prior fiscal years.

## Capital Asset and Debt Administration

**Capital Assets.** As of June 30, 2020, the City’s investments in capital assets for its governmental and business-type activities are \$611.5 million (net of accumulated depreciation) as presented below in Table 4. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, and street infrastructure such as roads, bridges, streetlights, traffic signals, airport hangers, sewer, and water pipelines. The City’s investment in capital assets for the current fiscal year increased by 1.0%, with several projects moving from being classified as Construction in Progress to classified as completed Buildings.

**Table 4 – City of Hayward Capital Assets** *(in millions)*

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$19.0	\$19.0	\$4.8	\$4.8	\$23.8	\$23.8
Construction in progress	47.6	77.0	48.0	41.3	95.6	118.3
Buildings	73.7	29.7	14.9	15.6	88.6	45.3
Improvements other than buildings	18.1	18.2	-	-	18.1	18.2
Machinery and equipment	23.3	22.3	26.4	27.6	49.7	49.9
Street infrastructure	239.3	247.3	-	-	239.3	247.3
Sewer infrastructure	-	-	61.5	65.3	61.5	65.3
Water infrastructure	-	-	26.7	28.4	26.7	28.4
Airport infrastructure	-	-	8.2	8.9	8.2	8.9
<b>Total</b>	<b>\$421.0</b>	<b>\$413.5</b>	<b>\$190.5</b>	<b>\$191.9</b>	<b>\$611.5</b>	<b>\$605.4</b>

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

**Debt Administration.** At the end of fiscal year 2020, the City had total bonded debt outstanding of \$127.7 million as presented in Table 5. This represents a decrease of \$8.0 million versus the prior year. Of the total outstanding bond debt, \$79.7 million represents certificates of participation debt for Civic Center Project (City Hall) and 21<sup>st</sup> Century Library; \$6.5 million represents lease revenue bonds for capital improvements; \$1.3 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$35.6 million represents State Water Board financing for a water pollution control facility; \$3.7 million private placement lease; \$9 million loan represents loan from State Energy Resources Conservation and Development Commission.

With the dissolution of the City's Redevelopment Agency, tax allocation bonds for redevelopment projects are no longer reflected in the City's financial statements as this debt is now part of the Successor Agency to the Hayward Redevelopment Agency.

**Table 5 – City of Hayward Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of Participation	\$79.7	\$84.5	\$ -	\$ -	\$79.7	\$84.5
Lease Revenue Bonds	0.1	0.2	6.4	5.0	6.5	5.2
Capital Lease Obligations	1.3	2.4	-	-	1.3	2.4
Private Placement Loan	3.7	4.1	-	-	3.7	4.1
State Water Resources Control Board Loan	-	-	35.6	38.4	35.6	38.4
State Energy Resources Conservation	0.9	1.2	-	-	0.9	1.2
<b>Total Long-Term Debt</b>	<b>\$85.7</b>	<b>\$92.3</b>	<b>\$42.0</b>	<b>\$43.4</b>	<b>\$127.7</b>	<b>\$135.7</b>

Local Improvement Districts (LIDS) in different parts of the City and a Community Facilities District #1 (Eden Shores) have also issued debt to finance infrastructure and facilities construction in their respective districts. As described in Note 8 to the financial statements, the City has sponsored special assessment debt issues, but has no legal liability for repayment. Therefore, these are not included in the City's governmental debt. As of June 30, 2020, a total of \$5.3 million in special assessment district debt was outstanding by four special assessment districts. (Further detail regarding the City debt can be found in Note 8 to the financial statements.)

### **Economic Outlook and Major Initiatives**

The economy of the City and major initiatives are discussed in the Transmittal Letter located in the Introductory Section of the CAFR.

### **Contacting the City's Financial Management**

This report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Additional financial information is available on our website at: [www.hayward-ca.gov](http://www.hayward-ca.gov). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Hayward Finance Department, 777 B Street, Hayward, California 94541-5007.

## CITY OF HAYWARD, CALIFORNIA

### STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows and all its liabilities and deferred inflows, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflow of resources from total assets and deferred outflow of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column, and the financial position of the entire City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared using the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the “modified accrual” basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Hayward Public Financing Authority, the Hayward Business Improvement District and the Hayward Housing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

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CITY OF HAYWARD  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$167,618,966	\$208,813,581	\$376,432,547
Cash, cash equivalents, and investments with fiscal agents (Note 2)	10,719,667	284,001	11,003,668
Accounts receivable, net	4,019,715	19,525,732	23,545,447
Due from other governments	11,149,052	1,571,504	12,720,556
Interest receivable	247,846	3,819	251,665
Internal balances (Note 4)	(3,091,745)	3,091,745	
Loans receivable (Note 3)	27,575,058	575,362	28,150,420
Long-term loans to the Private Purpose Trust Fund (Note 19)	9,139,979		9,139,979
Land held for resale (Note 1)	3,448,652		3,448,652
Deposits, parts, supplies and other	6,460	4,494,828	4,501,288
Investment in East Bay Dischargers Authority (Note 16)		10,382,103	10,382,103
Capital assets (Note 5):			
Land	18,950,817	4,757,492	23,708,309
Construction in progress	47,562,563	48,041,965	95,604,528
Depreciable capital assets, net	354,417,169	137,664,640	492,081,809
Total assets	<u>651,764,199</u>	<u>439,206,772</u>	<u>1,090,970,971</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions (Note 12)	55,288,047	2,586,000	57,874,047
Related to OPEB (Note 14)	11,634,691	2,042,732	13,677,423
Deferred loss on refunding (Note 6)	656,051		656,051
Total deferred outflow of resources	<u>67,578,789</u>	<u>4,628,732</u>	<u>72,207,521</u>
<b>LIABILITIES:</b>			
Accounts payable	7,726,976	4,548,145	12,275,121
Accrued interest	439,431	264,363	703,794
Accrued liabilities	26,442,386	585,206	27,027,592
Unearned revenue	1,271,052	649,706	1,920,758
Refundable deposits	4,750,747	3,151,121	7,901,868
Accrued reclamation costs (Note 10):			
Due within one year		125,000	125,000
Compensated absences (Note 1):			
Due within one year	6,555,861	934,117	7,489,978
Due in more than one year	1,726,176	295,020	2,021,196
Long-term debt (Note 6):			
Due within one year	5,840,165	3,953,694	9,793,859
Due in more than one year	79,773,880	38,077,451	117,851,331
Net pension liabilities, due in more than one year (Note 12)	416,086,473	24,319,464	440,405,937
Net OPEB obligations, due in more than one year (Note 14)	67,268,629	12,006,092	79,274,721
Total liabilities	<u>617,881,776</u>	<u>88,909,379</u>	<u>706,791,155</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pensions (Note 12)	7,492,559	371,030	7,863,589
Related to OPEB (Note 14)	32,429,224	5,650,040	38,079,264
Total deferred inflow of resources	<u>39,921,783</u>	<u>6,021,070</u>	<u>45,942,853</u>
<b>NET POSITION (Note 9):</b>			
Net investments in capital assets	340,992,711	148,432,952	489,425,663
Restricted for:			
Public safety	425,652		425,652
Debt service	7,276,339	284,001	7,560,340
Public works and transportation	26,001,056		26,001,056
Planning and building	32,076,632		32,076,632
Economic development activities	28,298,307		28,298,307
Total restricted net position	<u>94,077,986</u>	<u>284,001</u>	<u>94,361,987</u>
Unrestricted	(373,531,268)	200,188,102	(173,343,166)
Total net position	<u>\$61,539,429</u>	<u>\$348,905,055</u>	<u>\$410,444,484</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$30,267,967	\$4,220,061	\$4,879,730	
Public safety	128,620,640	4,240,808	3,441,185	
Public works and transportation	22,129,650	4,894,837	6,286,369	\$5,780,882
Library and community services	10,983,659	885,787	150,332	
Economic development	2,565,850	544,108		
Planning and building	10,662,520	5,479,966		
Maintenance services	12,156,273	1,489,507		
Interest on long-term debt	2,784,563			
Total Governmental Activities	220,171,122	21,755,074	14,757,616	5,780,882
BUSINESS-TYPE ACTIVITIES:				
Sewer	20,147,930	30,078,797	119,683	
Water	47,714,898	61,951,757		
Airport	3,755,558	3,616,344		
Stormwater	2,784,429	5,019,351		
Recycling	16,514			
Total Business-type Activities	74,419,329	100,666,249	119,683	
Total	\$294,590,451	\$122,421,323	\$14,877,299	\$5,780,882

**GENERAL REVENUES:**

Taxes:	
Property taxes	
Sales taxes	
Utility users tax	
Real property transfer tax	
Franchise tax	
Business tax	
Excise tax	
Other taxes	
Motor vehicle in-lieu, unrestricted	
Investment earnings	
Miscellaneous	
TRANSFERS (Note 4)	
Total General Revenues And Transfers	

CHANGE IN NET POSITION

BEGINNING NET POSITION

ENDING NET POSITION

See accompanying notes to basic financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$21,168,176)		(\$21,168,176)
(120,938,647)		(120,938,647)
(5,167,562)		(5,167,562)
(9,947,540)		(9,947,540)
(2,021,742)		(2,021,742)
(5,182,554)		(5,182,554)
(10,666,766)		(10,666,766)
(2,784,563)		(2,784,563)
<u>(177,877,550)</u>		<u>(177,877,550)</u>
	\$10,050,550	10,050,550
	14,236,859	14,236,859
	(139,214)	(139,214)
	2,234,922	2,234,922
	<u>(16,514)</u>	<u>(16,514)</u>
	26,366,603	26,366,603
<u>(177,877,550)</u>	<u>26,366,603</u>	<u>(151,510,947)</u>
58,939,316		58,939,316
56,566,457		56,566,457
16,065,943		16,065,943
12,150,286		12,150,286
10,581,960		10,581,960
4,057,795		4,057,795
2,383,998		2,383,998
8,505,009		8,505,009
126,184		126,184
3,272,626	5,088,464	8,361,090
15,167,508		15,167,508
3,054,013	<u>(3,054,013)</u>	
<u>190,871,095</u>	<u>2,034,451</u>	<u>192,905,546</u>
12,993,545	28,401,054	41,394,599
<u>48,545,884</u>	<u>320,504,001</u>	<u>369,049,885</u>
<u>\$61,539,429</u>	<u>\$348,905,055</u>	<u>\$410,444,484</u>

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## CITY OF HAYWARD, CALIFORNIA

### FUND FINANCIAL STATEMENTS

The Fund financial statements include only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

### MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2020. Individual non-major funds are reported in the Supplemental Section.

*General Fund* is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

*Federal Grants* accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

*Housing Authority* – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

*General Capital Projects Fund* – Accounts for General Fund and special revenue fund acquisition and construction of general purpose public facilities, street surfacing and improvements.

*Route 238 Corridor Improvement Fund* – Accounts for various roadway improvements along Foothill Boulevard and Mission Boulevard between northern city limits and Industrial Parkway including a downtown one way loop street system, peak hour traffic lanes, pedestrian and bicycle improvements, and landscaping enhancements.

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$35,631,028	\$2,105,513	\$8,818,060
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	2,168,196	5,250	
Due from other governments	8,961,284		
Interest receivable		28,341	
Due from other funds (Note 4)	16,469,998		
Loans receivable (Note 3)		12,704,058	9,385,440
Long-term loans to the Private Purpose Trust Fund (Note 19)	5,236,442		3,876,516
Land held for resale (Note 1)			707,539
Deposits, parts, supplies and other	6,460		
Total Assets	<u>\$68,473,408</u>	<u>\$14,843,162</u>	<u>\$22,787,555</u>
<b>LIABILITIES:</b>			
Accounts payable	\$2,972,446	\$59,435	\$162
Accrued liabilities	5,385,779		2,564
Due to other funds (Note 4)			
Long-term interfund payables (Note 4)	3,091,745		
Unearned revenue			
Refundable deposits	4,340,263		
Total Liabilities	<u>15,790,233</u>	<u>59,435</u>	<u>2,726</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue		5,250	
Total Deferred Inflows of Resources		<u>5,250</u>	
<b>FUND BALANCES (Note 9):</b>			
Nonspendable	5,242,902		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		14,778,477	
Economic development			22,784,829
Debt service			
Assigned	22,092,043		
Unassigned	25,348,230		
Total Fund Balances (Deficit)	<u>52,683,175</u>	<u>14,778,477</u>	<u>22,784,829</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$68,473,408</u>	<u>\$14,843,162</u>	<u>\$22,787,555</u>

See accompanying notes to basic financial statements

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

Capital Projects Funds			
General Capital Projects	Route 238 Corridor Improvement	Other Governmental Funds	Total Governmental Funds
\$17,366,596	\$4,799,488	\$50,817,676	\$119,538,361
10,697,218		22,449	10,719,667
91,011	640,477	283,927	3,188,861
		2,187,768	11,149,052
61,790		60,676	150,807
			16,469,998
		5,485,560	27,575,058
			9,112,958
	2,741,113		3,448,652
			6,460
<u>\$28,216,615</u>	<u>\$8,181,078</u>	<u>\$58,858,056</u>	<u>\$201,359,874</u>
\$524,885	\$444,729	\$1,542,391	\$5,544,048
1,194	667	54,299	5,444,503
	16,273,997	196,001	16,469,998
			3,091,745
10,850	640,477	243,226	894,553
62,981	34,203	306,249	4,743,696
<u>599,910</u>	<u>17,394,073</u>	<u>2,342,166</u>	<u>36,188,543</u>
<u>80,162</u>		<u>1,210</u>	<u>86,622</u>
<u>80,162</u>		<u>1,210</u>	<u>86,622</u>
			5,242,902
		425,652	425,652
		26,001,056	26,001,056
		17,298,155	32,076,632
		5,513,478	28,298,307
		7,276,339	7,276,339
27,536,543			49,628,586
	(9,212,995)		16,135,235
<u>27,536,543</u>	<u>(9,212,995)</u>	<u>56,514,680</u>	<u>165,084,709</u>
<u>\$28,216,615</u>	<u>\$8,181,078</u>	<u>\$58,858,056</u>	<u>\$201,359,874</u>

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2020

Total Fund Balances reported on the governmental funds balance sheet	\$165,084,709
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

Land	18,578,069
Construction in progress	46,407,048
Depreciable capital assets, net	334,641,235

**ALLOCATION OF INTERNAL SERVICE FUND NET POSITION**

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	48,080,605
Accounts receivable	830,854
Due from other funds	97,039
Deposits, parts, supplies and other	
Long-term loans to the Private Purpose Trust Fund	27,021
Land	372,748
Construction in progress	1,155,515
Depreciable capital assets, net	19,775,934
Accounts payable	(2,182,928)
Accrued liabilities	(21,005,355)
Unearned revenue	(376,499)
Refundable deposits	(7,051)
Compensated absences	(530,047)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,360,224)
Net OPEB liabilities and pension-related deferred outflows and inflows of resources	(4,754,548)
Long-term debt	(1,254,082)

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues that are not currently available are shown as deferred on the Fund Balance Sheets are recognized as revenue on the Statement of Activities.

Unavailable revenue	86,622
---------------------	--------

**LONG-TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Fund financial statements:

Long-term debt	(84,359,963)
Amortized deferred loss on refunding	656,051
Interest payable	(431,959)
Compensated absences	(7,751,990)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(359,930,761)
Net OPEB Obligation and OPEB-related deferred outflows and inflows of resources	(83,308,614)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$61,539,429
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See accompanying notes to basic financial statements



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CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
REVENUES:			
Property taxes	\$58,431,804		
Sales taxes	56,566,457		
Utility users tax	16,065,943		
Other taxes	30,214,409		
Licenses and permits	6,435,587		
Fines and forfeitures	2,210,385		
Special assessments			
Investment income	492,731	\$48,587	\$251,239
Rental income	5,332		
Intergovernmental	6,699,242	723,438	
Fees and charges for services	5,537,249		232
Other revenue	875,894	13,868	442,413
Total Revenues	<u>183,535,033</u>	<u>785,893</u>	<u>693,884</u>
EXPENDITURES:			
Current:			
General government	14,607,161		
Public safety	122,091,549	101,748	
Public works and transportation	5,144,882	12,111	
Library and community services	7,186,368	162,173	
Economic development		210,133	111,634
Planning and building	8,618,787		
Maintenance services	8,858,729		
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	<u>166,507,476</u>	<u>486,165</u>	<u>111,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,027,557</u>	<u>299,728</u>	<u>582,250</u>
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 4)	2,691,046	15,203	
Transfers (out) (Note 4)	<u>(17,617,544)</u>	<u>(96,000)</u>	<u>(19,249)</u>
Total Other Financing Sources (Uses)	<u>(14,926,498)</u>	<u>(80,797)</u>	<u>(19,249)</u>
CHANGE IN FUND BALANCES	2,101,059	218,931	563,001
BEGINNING FUND BALANCES (DEFICITS)	<u>50,582,116</u>	<u>14,559,546</u>	<u>22,221,828</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>\$52,683,175</u></u>	<u><u>\$14,778,477</u></u>	<u><u>\$22,784,829</u></u>

See accompanying notes to basic financial statements

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

Capital Projects Funds			
General Capital Projects	Route 238 Corridor Improvement	Other Governmental Funds	Total Governmental Funds
			\$58,431,804
			56,566,457
			16,065,943
\$977,814		\$582,032	31,774,255
			6,435,587
			2,210,385
		1,297,894	1,297,894
1,086,102	\$131,964	1,214,125	3,224,748
	126,857	544,108	676,297
3,595,279		17,919,192	28,937,151
	47,948	120	5,585,549
2,327,430	11,672,728	2,957,073	18,289,406
7,986,625	11,979,497	24,514,544	229,495,476
			14,607,161
		955,325	123,148,622
97,450		1,595,328	6,849,771
		1,358,671	8,707,212
		1,254,974	1,576,741
			8,618,787
		981,296	9,840,025
12,231,411	15,093,646	7,146,347	34,471,404
		5,207,513	5,207,513
		3,007,504	3,007,504
12,328,861	15,093,646	21,506,958	216,034,740
(4,342,236)	(3,114,149)	3,007,586	13,460,736
5,766,817		6,631,704	15,104,770
	(129,000)	(1,105,219)	(18,967,012)
5,766,817	(129,000)	5,526,485	(3,862,242)
1,424,581	(3,243,149)	8,534,071	9,598,494
26,111,962	(5,969,846)	47,980,609	155,486,215
\$27,536,543	(\$9,212,995)	\$56,514,680	\$165,084,709

CITY OF HAYWARD  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
WITH THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$9,598,494
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

**CAPITAL ASSETS TRANSACTIONS**

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balance	34,471,404
----------------------------------------------------------------------	------------

Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(13,167,567)
--------------------------------------------------------------------------------------------------	--------------

Depreciation expense is deducted from fund balance

(Depreciation expense is net of internal service fund depreciation of

\$3,884,602 which has already been allocated to service funds	(13,324,010)
---------------------------------------------------------------	--------------

**LONG-TERM DEBT PROCEEDS AND PAYMENTS**

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal and amortization of bond premiums are added back to fund balance	5,492,915
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**ACCRUAL OF NON-CURRENT ITEMS**

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Unavailable revenue	(411,453)
---------------------	-----------

Compensated absences	(891,130)
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Net pension liabilities and pension-related deferred outflows/inflows of resources	(22,650,689)
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Net OPEB Obligation	5,356,786
---------------------	-----------

Interest payable	28,796
------------------	--------

**ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY**

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	8,489,999
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

	\$12,993,545
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See accompanying notes to basic financial statements

## **CITY OF HAYWARD, CALIFORNIA**

### **MAJOR PROPRIETARY FUNDS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2020. These statements include balances for both operating and capital funds.

The disclosure of budget versus actual comparisons is not required for proprietary funds.

*Sewer Fund* – Accounts for activities associated with sewage transmission and treatment.

*Water Fund* – Accounts for activities associated with distribution and transmission of potable water to users.

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
ASSETS:					
Current Assets:					
Cash and investments (Note 2)	\$97,058,021	\$95,529,998	\$16,225,562	\$208,813,581	\$48,080,605
Cash and investments with fiscal agents (Note 2)		284,001		284,001	
Accounts receivable, net	5,609,235	11,856,135	2,060,362	19,525,732	830,854
Due from other governments	1,554,592		16,912	1,571,504	
Interest receivable		3,819		3,819	97,039
Deposits, parts, supplies and other		1,343,099		1,343,099	
Total Current Assets	104,221,848	109,017,052	18,302,836	231,541,736	49,008,498
Noncurrent Assets:					
Long-term interfund receivables (Note 4)		3,091,745		3,091,745	
Long-term loans to the Private Purpose Trust Fund (Note 19)					27,021
Deposits, parts, supplies and other	3,134,504		17,225	3,151,729	
Loans receivable (Note 3)		575,362		575,362	
Investment in East Bay Dischargers Authority (Note 16)	10,382,103			10,382,103	
Capital assets (Note 5):					
Land	1,830,143	2,683,047	244,302	4,757,492	372,748
Construction in progress	30,048,965	17,441,670	551,330	48,041,965	1,155,515
Depreciable capital assets, net	85,866,482	39,064,873	12,733,285	137,664,640	19,775,934
Total Noncurrent Assets	131,262,197	62,856,697	13,546,142	207,665,036	21,331,218
Total Assets	235,484,045	171,873,749	31,848,978	439,206,772	70,339,716
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions (Note 12)	1,102,287	1,042,798	440,915	2,586,000	978,059
Related to OPEB (Note 14)	852,546	838,533	351,653	2,042,732	706,137
Total deferred outflows of resources	1,954,833	1,881,331	792,568	4,628,732	1,684,196
LIABILITIES:					
Current Liabilities:					
Accounts payable	923,618	3,576,025	48,502	4,548,145	2,182,928
Accrued interest	249,517	10,329	4,517	264,363	7,472
Accrued liabilities	222,668	265,956	96,582	585,206	20,997,883
Unearned revenue	219,065	430,641		649,706	376,499
Refundable deposits		3,041,782	109,339	3,151,121	7,051
Compensated absences - due within one year (Note 1)	325,684	462,298	146,135	934,117	419,572
Accrued reclamation costs (Note 10)	125,000			125,000	
Long-term debt - due within one year (Note 6)	3,338,694	479,467	135,533	3,953,694	423,325
Total Current Liabilities	5,404,246	8,266,498	540,608	14,211,352	24,414,730
Noncurrent Liabilities:					
Compensated absences (Note 1)	102,860	146,007	46,153	295,020	110,475
Net pension liabilities, due in more than one year (Note 12)	10,366,211	9,806,767	4,146,486	24,319,464	9,197,957
Net OPEB liabilities (Note 14)	4,803,691	5,096,860	2,105,541	12,006,092	3,412,880
Long-term debt - due in more than one year (Note 6)	35,447,451	2,043,170	586,830	38,077,451	830,757
Total Noncurrent Liabilities	50,720,213	17,092,804	6,885,010	74,698,027	13,552,069
Total Liabilities	56,124,459	25,359,302	7,425,618	88,909,379	37,966,799
DEFERRED INFLOWS OF RESOURCES:					
Related to pensions (Note 12)	158,152	149,617	63,261	371,030	140,326
Related to OPEB (Note 14)	2,384,674	2,297,691	967,675	5,650,040	2,047,805
Total deferred inflows of resources	2,542,826	2,447,308	1,030,936	6,021,070	2,188,131
NET POSITION (Note 9):					
Net investments in capital assets	78,959,445	56,666,953	12,806,554	148,432,952	20,050,115
Restricted for debt service		284,001		284,001	
Unrestricted	99,812,148	88,997,516	11,378,438	200,188,102	11,818,867
Total Net Position	\$178,771,593	\$145,948,470	\$24,184,992	\$348,905,055	\$31,868,982

See accompanying notes to basic financial statements

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
OPERATING REVENUES:					
Charges for services	\$29,524,613	\$15,229,248	\$6,948,845	\$51,702,706	\$32,251,938
Sale of water		46,665,517		46,665,517	
Miscellaneous	554,184	56,992	1,686,850	2,298,026	909,419
Total Operating Revenues	30,078,797	61,951,757	8,635,695	100,666,249	33,161,357
OPERATING EXPENSES:					
Salaries and related expenses	9,074,215	7,805,190	3,686,773	20,566,178	7,853,308
Materials, supplies and services	4,819,900	4,781,764	1,623,679	11,225,343	9,795,364
Repairs and maintenance	850,110	1,196,628	258,605	2,305,343	3,351,868
Water purchases		31,518,279		31,518,279	
Self-funded insurance expense					7,639,491
Depreciation (Note 5)	5,037,959	2,326,525	987,444	8,351,928	3,884,602
Total Operating Expenses	19,782,184	47,628,386	6,556,501	73,967,071	32,524,633
Operating Income (Loss)	10,296,613	14,323,371	2,079,194	26,699,178	636,724
NONOPERATING REVENUES (EXPENSES):					
Investment income	2,308,947	2,395,250	384,267	5,088,464	1,142,845
Interest (expense)	(365,746)	(86,512)		(452,258)	(91,257)
Loss on disposal of capital assets					(114,568)
Gain from equity investment (Note 16)	119,683			119,683	
Net Nonoperating Revenues (Expenses)	2,062,884	2,308,738	384,267	4,755,889	937,020
Income (Loss) Before Contributions and Transfers	12,359,497	16,632,109	2,463,461	31,455,067	1,573,744
TRANSFERS					
Transfers in (Note 4)	3,730,000	91,828	150,000	3,971,828	7,118,867
Transfers (out) (Note 4)	(1,182,724)	(5,424,813)	(418,304)	(7,025,841)	(202,612)
Net Transfers	2,547,276	(5,332,985)	(268,304)	(3,054,013)	6,916,255
CHANGE IN NET POSITION	14,906,773	11,299,124	2,195,157	28,401,054	8,489,999
BEGINNING NET POSITION	163,864,820	134,649,346	21,989,835	320,504,001	23,378,983
ENDING NET POSITION	\$178,771,593	\$145,948,470	\$24,184,992	\$348,905,055	\$31,868,982

See accompanying notes to basic financial statements

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers	\$27,695,967	\$60,114,696	\$7,019,285	\$94,829,948	\$33,065,844
Payments to suppliers	(5,781,625)	(36,921,445)	(1,939,175)	(44,642,245)	(20,409,700)
Payments to employees	(9,060,905)	(7,691,972)	(3,663,963)	(20,416,840)	(8,404,443)
Net Cash Flows From Operating Activities	<u>12,853,437</u>	<u>15,501,279</u>	<u>1,416,147</u>	<u>29,770,863</u>	<u>4,251,701</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Interfund receipts		74,763		74,763	
Transfers in	3,730,000	91,828	150,000	3,971,828	7,118,867
Transfers (out)	(1,182,724)	(5,424,813)	(418,304)	(7,025,841)	(202,612)
Net Cash Flows From Noncapital and Related Financing Activities	<u>2,547,276</u>	<u>(5,258,222)</u>	<u>(268,304)</u>	<u>(2,979,250)</u>	<u>6,916,255</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(6,120,826)	(706,097)	(159,608)	(6,986,531)	(3,621,710)
Proceeds from sale of capital assets					118,506
Proceeds from issuance of debt	2,150,955			2,150,955	
Principal payments on capital debt	(2,910,951)	(462,356)	(132,644)	(3,505,951)	(1,103,843)
Interest paid	(365,866)	(88,560)		(454,426)	(105,691)
Net Cash Flows From Capital and Related Financing Activities	<u>(7,246,688)</u>	<u>(1,257,013)</u>	<u>(292,252)</u>	<u>(8,795,953)</u>	<u>(4,712,738)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Change in fair values of investments					85,622
Investment income	2,335,703	2,417,627	388,223	5,141,553	1,056,932
Net Cash Flows From Investing Activities	<u>2,335,703</u>	<u>2,417,627</u>	<u>388,223</u>	<u>5,141,553</u>	<u>1,142,554</u>
<b>NET CASH FLOWS</b>	<u>10,489,728</u>	<u>11,403,671</u>	<u>1,243,814</u>	<u>23,137,213</u>	<u>7,597,772</u>
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>86,568,293</u>	<u>84,126,327</u>	<u>14,981,748</u>	<u>185,676,368</u>	<u>40,482,833</u>
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<u><u>\$97,058,021</u></u>	<u><u>\$95,529,998</u></u>	<u><u>\$16,225,562</u></u>	<u><u>\$208,813,581</u></u>	<u><u>\$48,080,605</u></u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$10,296,613	\$14,323,371	\$2,079,194	\$26,699,178	\$636,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	5,037,959	2,326,525	987,444	8,351,928	3,884,602
Change in assets and liabilities:					
Receivables, net	(828,238)	(2,261,641)	(1,610,397)	(4,700,276)	(456,104)
Due from other governments	(1,554,592)		(6,013)	(1,560,605)	134
Parts and supplies		(7,468)		(7,468)	
Other assets	332,238	14,839		347,077	
Accounts payable and other accrued expenses	(443,853)	567,855	(59,254)	64,748	377,023
Due to retirement system	388,548	439,534	152,691	980,773	(277,575)
Due to retirement OPEB	(426,310)	(402,903)	(170,372)	(999,585)	(378,035)
Compensated absences	51,072	76,587	40,491	168,150	104,475
Refundable deposits		396,610	2,363	398,973	
Unearned revenue		27,970		27,970	360,457
Net Cash Flows From Operating Activities	<u><u>\$12,853,437</u></u>	<u><u>\$15,501,279</u></u>	<u><u>\$1,416,147</u></u>	<u><u>\$29,770,863</u></u>	<u><u>\$4,251,701</u></u>

See accompanying notes to basic financial statements



## **CITY OF HAYWARD, CALIFORNIA**

### **FIDUCIARY FUND FINANCIAL STATEMENTS**

The Fiduciary funds account for resources received and are held by the City in a fiduciary capacity. Disbursements are made in accordance with the trust agreement or applicable legislative enactment for each fund.

*Successor Agency to the Redevelopment Agency Private Purpose Trust Fund* – This fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Hayward.

*Agency Funds* account for assets held by the City as agent for individuals, governmental entities, and non-public organizations.

CITY OF HAYWARD  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020

	Private Purpose Trust Fund	Agency Funds
CURRENT ASSETS:		
Cash and investments (Note 2)	\$3,579,229	\$14,124,681
Cash and investments with fiscal agents (Note 2)	1,258	356,341
Accounts receivable, net	453,912	4,512
Due from other governments		150,739
Deposits, parts, supplies and other		201,524
	<hr/>	<hr/>
Total Current Assets	4,034,399	14,837,797
	<hr/>	<hr/>
NONCURRENT ASSETS:		
Loans receivable (Note 19)	24,509,337	
Land held for resale	3,483,031	
Capital assets (Note 19):		
Land	4,430,516	
Depreciable capital assets, net	9,801,600	
	<hr/>	<hr/>
Total Noncurrent Assets	42,224,484	
	<hr/>	<hr/>
Total Assets	46,258,883	\$14,837,797
	<hr/>	<hr/>
CURRENT LIABILITIES:		
Accounts payable	35,049	\$86,102
Accrued interest	451,980	
Deferred revenue	63,165	
Refundable deposits		9,577,972
Due to bondholders and others		5,173,723
Long-term debt - due in less than one year (Note 19)	1,880,000	
	<hr/>	<hr/>
Total Current Liabilities	2,430,194	14,837,797
	<hr/>	<hr/>
NONCURRENT LIABILITIES (Note 19):		
Long-term loans payables - due in more than one year	9,139,979	
Long-term debt - due in more than one year	29,074,134	
	<hr/>	<hr/>
Total Non-Current Liabilities	38,214,113	
	<hr/>	<hr/>
Total Liabilities	40,644,307	\$14,837,797
	<hr/>	<hr/>
NET POSITION HELD IN TRUST FOR PRIVATE PURPOSES	\$5,614,576	
	<hr/>	

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Property tax	\$3,791,673
Investment income	7,809
Rental income	<u>33,336</u>
Total additions	<u>3,832,818</u>
DEDUCTIONS	
Maintenance services	255,003
Depreciation expense	314,131
Interest and fiscal charges	<u>1,263,594</u>
Total deductions	<u>1,832,728</u>
Net change in position	2,000,090
Net position - beginning	<u>3,614,486</u>
Net position - ending	<u><u>\$5,614,576</u></u>

See accompanying notes to basic financial statements

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**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Description of Reporting Entity** – The City of Hayward, California (the “City”) was originally incorporated as the Town of Hayward in 1876. On March 7, 1956, the people of the City adopted a City Charter under which the City currently operates. The City maintains a Council-Manager form of government and is governed by an independently elected seven-member City Council. The City provides the following services as authorized by its charter: public safety (police, fire, and building inspection), highways and streets, sanitation, water, airport, social services, public improvements, planning, library and zoning, and general administrative services.

**Reporting Entity** – The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. The City Council sits in a different capacity as the governing boards of the following entities. Although they are separate legal entities, *blended* component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. Also, there is either a financial benefit or burden relationship between the City and the component units below or the City has operational responsibility for them. The City’s component units which are described below are all blended.

- *Hayward Public Financing Authority* (the “Authority”) – In May 1989, the City and the former Redevelopment Agency entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California, thereby forming the Authority for the purpose of financing certain capital improvements within the City. These capital improvements are leased to the City for rental payments, which, together with restricted assets of the Authority, will be sufficient to meet the debt service obligations of the Authority. At the termination of the individual leases, title to the related improvements will pass to the City. Operating activities of the Authority are reflected in both the Governmental and Business funds of the City.
- *The Hayward Business Improvement District* (the “District”) was established in 1984 to collect certain charges imposed on businesses within the downtown business improvement district and to expend such monies on activities, which enhance the district as a shopping and business center. Operating activities of the District are included as a special revenue fund of the City.
- *The Hayward Housing Authority* (“*Housing Authority*”) was originally established in 1946. The Housing Authority is only a conduit to issue housing mortgage revenue bonds for developers, whereby such developers are entirely responsible for meeting the related debt obligations and where the funds raised through such housing mortgage revenue bond issues are used to finance multifamily rental housing developments. A certain percentage of housing units being financed must be for low and moderate income purposes. The Housing Authority is paid a fee by the benefited developers for issuing the bonds and for monitoring the occupancy of these housing developments. This activity is recorded as a capital projects fund of the City.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City participates in a joint venture, the East Bay Dischargers Authority (“EBDA”), which is not included in the accompanying basic financial statements as it is administered by a board separate from and independent of the City. EBDA is also fiscally independent of the City (see Note 16).

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

City of Hayward  
Finance Department, 3<sup>rd</sup> Floor  
777 B Street  
Hayward, California 94541

***Basis of Presentation*** – The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

***Government-wide Statements:*** The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements:*** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

*Major Funds* – Governmental Accounting Standards Board requires that the City’s major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

*General Fund* is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

*Federal Grants Fund* – Accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

*Housing Authority Fund* – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

*General Capital Projects Fund* – Accounts for general fund or special revenue fund transfers expended for acquisition and construction of general purpose public facilities, street surfacing and improvements.

*Route 238 Corridor Improvement Fund* – Accounts for various roadway improvements along Foothill and Mission Boulevard between northern city limits and Industrial Parkway including a downtown one way loop street system, peak hour traffic lanes, pedestrian and bicycle improvements, and landscaping enhancements.

The City reported the following proprietary-enterprise funds as major funds in the accompanying financial statements:

*Sewer Fund* – Accounts for activities associated with sewage transmission and treatment.

*Water Fund* – Accounts for activities associated with distribution and transmission of potable water to users.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City also reports the following fund types:

*Internal Service funds*

These funds account for workers' compensation reimbursable costs, risk management expenses, self-insurance costs, other post-employment benefits; operation, maintenance and replacement of City-owned buildings, vehicles and mobile radio units and City information technology; all of which are provided to other departments on a cost-reimbursement basis.

*Fiduciary funds*

These funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Agency funds apply the accrual basis of accounting but do not have a measurement focus. The Successor Agency to the Former Redevelopment Agency of the City of Hayward Private-purpose Trust Fund is used to account for the activities of the Redevelopment Agency of the City of Hayward Successor Agency. The financial activities of these funds are excluded from the City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

***Basis of Accounting*** – The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest and charges for services.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be made available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Deferred Outflows/Inflows of Resources*** – In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

***Budgets and Budgetary Accounting*** – The City adopts an annual operating budget on or before June 30 for the ensuing fiscal year for all Funds, except for the Donations Special Revenue Fund. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various governmental fund types. The level of budgetary control within all governmental fund types is at the fund level. The City Council may amend the budget by resolution during the fiscal year. The City Manager may transfer appropriations from one program, activity, or object to another within the same fund without the approval of the City Council. All appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All governmental fund type annual operating budgets are presented on a basis consistent with generally accepted accounting principles (“GAAP”) except as follows:

- The City has several unrestricted subfunds it accounts for separately in its general ledger that are combined and included in General Fund amounts reported in the accompanying financial statements. However, for budgetary presentation purposes, the City only reports its main operating fund. Other subfunds not included in the budgetary presentation are reported as perspective differences.
- The sole Special Revenue fund the City does not budget for is the Donation Special Revenue Fund. The City is unable to forecast the amount of donations received in a given year, and the amount of donations it will spend in the fiscal year.

***Parts and Supplies*** of the governmental funds consist of expendable supplies held for consumption and are valued at cost (first-in, first-out). The cost is recorded as expenditure in the governmental funds at the time individual items are consumed. Reported supplies are offset by nonspendable or restricted fund balances indicating that they do not constitute “available spendable resources” even though they are a component of net current assets. Supplies of enterprise funds are valued at the lower of cost (first-in, first-out) or market. Supplies of the enterprise funds consist principally of materials and supplies for utility operations and are expensed or capitalized as such supplies are consumed.

***Land held for Resale*** of \$3,448,652 at June 30, 2020 was stated at the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the former Redevelopment Agency of the City of Hayward.

***Property taxes*** – Alameda County assesses properties and bills for and collects property taxes as follows:

	<u><b>Secured</b></u>	<u><b>Unsecured</b></u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables, net of estimated uncollectibles, in the fiscal year of levy.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Compensated Absences*** – The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund. Compensated Absences are presented below as of June 30, 2020:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$7,286,432	\$1,060,986	\$8,347,418
Additions	6,763,370	974,476	7,737,846
Payments	(5,767,765)	(806,325)	(6,574,090)
Ending Balance	<u>\$8,282,037</u>	<u>\$1,229,137</u>	<u>\$9,511,174</u>
Current Portion	<u>\$6,555,861</u>	<u>\$934,117</u>	<u>\$7,489,978</u>

***Special Assessment Debt*** – The City is considered to be “obligated in some manner,” as defined by Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for certain special assessment district debt. The City is obligated for the special assessment debt if the City is required to purchase properties on which owners have failed to pay installments of assessments as they fall due or is obligated to honor deficiencies to the extent that lien foreclosures proceeds are insufficient. Those special assessment debt would be included in the government-wide financial statements (see Note 6), and special assessment transactions would be included in the debt service funds to reflect the individual special assessment funds’ activities. There are other special assessment districts for which the City has no commitment to repay the debt (see Note 8). Activities for these districts are reported in Agency Funds.

***Debt Defeasance And Refundings*** – In an advance refunding, new debt (termed refunding debt) is issued to provide the cash needed to refund old debt (termed refunded debt). Proceeds from the refunding debt are used to purchase U.S. government securities which are placed in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded debt. As a result, the refunded debt is considered defeased and is removed from the City’s financial statements. The City is amortizing the loss on debt defeasance over the life of refunding debt.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fair Value Measurements*** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***Estimates and Assumptions*** – The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Policies*** – The City invests in individual investments and investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

***New Governmental Accounting Standards Board Statement Pronouncements***

***GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance*** – The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This Statement had no effect on the City's financial statements.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agent so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the City's case, fair value equals market value, since all of the City's investments are readily marketable.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral. As of June 30, 2020, the City held \$284,000 in uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

The City maintains a cash management pool that is available for use by all funds. Each fund type's portion of the pool is shown on the combined balance sheet as "Cash and investments" or "Due to other funds" (for cash overdrafts), as appropriate.

**Classification** – As of June 30, 2020, cash and investments were classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

***Statement of Net Position***

Cash and investments available for operations	\$376,432,547
Cash and investments with fiscal agents	11,003,668

***Private Purpose Trust Fund***

Cash and investments available for operations	3,579,229
Cash and investments with fiscal agents	1,258

***Agency Funds***

Cash and investments available for operations	14,124,681
Cash and investments with fiscal agents	356,341
	<hr/>
Total Cash and Investments	<u><u>\$405,497,724</u></u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Cash and investments as of June 30, 2020 consisted of the following:

Cash in bank	\$104,629,565
Cash on hand (Petty Cash)	3,175
Investments	<u>300,864,984</u>
Total Cash and Investments	<u><u>\$405,497,724</u></u>

Cash and investments are used in preparing Proprietary Fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

***Investments Authorized by the California Government Code and the City's Investment Policy*** – The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality *	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	5 years	None	100%	100%
U.S. Agency Securities (fully backed)	5 years	None	100%	100%
U.S. Agency Securities (sponsored)	5 years	None	100%	40%
Banker's Acceptance	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1	25%	5%
Negotiable Certificates of Deposit	5 years	A	30%	5%
Repurchase Agreements	1 year	None	20%	20%
Medium-Term Notes	5 years	A	30%	5%
Money Market Fund	N/A	AAAm	20%	10%
Alameda County Investment Pool	None	None	10%	10%
Shares of Beneficial Interest Issued by a JPA	None	AAAm	100%	N/A
California Local Agency Investment Fund	None	None	\$75M per account	N/A
Collateralized Certificates of Deposit	5 years	None	25%	20%
Municipal Bonds	5 years	A	20%	5%
Supranationals	5 years	AA	30%	30%
Asset-Backed Securities	5 years	AA	20%	5%

\* Minimum credit quality at time of purchase.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Investments Authorized by Debt Agreements*** – The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (sponsored)	No Limit	None to AAA
Money Market Mutual Funds	No Limit	AAm to AAAm-G
Collateralized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No Limit	No Limit
Investment Agreements	No Limit	None to two Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
State General Obligations	No Limit	A/A2 to Two Highest Categories
Municipal Obligations	No Limit	AAA to Two Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-funded Municipal Bonds	No Limit	AAA
California Local Agency Investment Fund	No Limit	No Limit

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

***Fair Value Hierarchy*** – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

Investment Type	Level 1	Level 2	Total
<b>Investments by Fair Value:</b>			
U.S. Treasury Obligations	\$46,766,660		\$46,766,660
U.S. Agency Securities		\$47,117,875	47,117,875
Corporate Bonds		9,784,147	9,784,147
Municipal Bonds		12,977,155	12,977,155
Supranationals		2,826,916	2,826,916
Asset-Backed Securities		5,193,728	5,193,728
Total Investments at Fair Value	<u>\$46,766,660</u>	<u>\$77,899,821</u>	124,666,481
<b>Investments Measured at Amortized Cost:</b>			
Money Market Mutual Funds			11,077,264
California Local Agency Investment Fund			160,742,089
Certificate of Deposits			<u>4,379,150</u>
Total Investments			<u>\$300,864,984</u>

U.S. Treasury Obligations classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. U.S. Agency Securities, Corporate Bonds, Municipal Bonds, Supranationals and Asset-Backed Securities, classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

***Interest Rate Risk*** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 Months to 24 Months	25 Months to 60 Months	Total
U.S. Treasury Obligations		\$28,034,117	\$18,732,543	\$46,766,660
U.S. Agency Securities	\$2,291,920	17,389,439	27,436,516	47,117,875
Money Market Mutual Funds	11,077,264			11,077,264
California Local Agency Investment Fund	160,742,089			160,742,089
Corporate Bonds	3,706,552	3,037,044	3,040,551	9,784,147
Municipal Bonds	2,933,926	2,068,326	7,974,903	12,977,155
Supranationals		1,534,359	1,292,557	2,826,916
Certificate of Deposits	1,838,441	603,726	1,936,983	4,379,150
Asset-Backed Securities	91,465	960,115	4,142,148	5,193,728
Total Investments	<u>\$182,681,657</u>	<u>\$53,627,126</u>	<u>\$64,556,201</u>	<u>300,864,984</u>
Cash in Banks				104,629,565
Cash on Hand (Petty Cash)				<u>3,175</u>
Total Cash				<u>104,632,740</u>
Total Cash and Investments				<u><u>\$405,497,724</u></u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2020, these investments had an average maturity of 191 days.

Money market funds are available for withdrawal on demand and at June 30, 2020, had an average maturity of 1 day.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Credit Risk** – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of June 30, 2020 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAAm/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Obligations	\$46,766,660					\$46,766,660
U.S. Agency Securities	47,117,875					47,117,875
Money Market Mutual Funds	11,077,264					11,077,264
California Local Agency Investment Fund					\$160,742,089	160,742,089
Corporate Bonds		\$306,102	\$9,478,045			9,784,147
Municipal Bonds	3,002,841	8,875,998	1,098,316			12,977,155
Supranationals	2,826,916					2,826,916
Certificate of Deposits		1,936,983	603,726	\$1,838,441		4,379,150
Asset-Backed Securities	2,718,498				2,475,230	5,193,728
Total Investments	\$113,510,054	\$11,119,083	\$11,180,087	\$1,838,441	\$163,217,319	\$300,864,984

**Custodial Credit Risk – Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Significant investments in the securities of any individual issuers, other than U. S. Treasury securities or mutual funds would be subjected to this risk. As of June 30, 2020, the following investments were subjected to custodial credit risk on the entity-wide level.

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Company	U.S. Agency Securities	\$18,893,836

**3. LOANS RECEIVABLES**

In order to carry out low-and-moderate housing programs, the Housing Authority Capital Project Fund loaned to homebuyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing.

The City also pools certain funds received from the U.S. Department of Housing and Urban Development and the State of California Department of Housing and Community Development, and administrative fees received from owners of multifamily projects funded by mortgage revenues bonds sponsored by the City. These monies are loaned to businesses, nonprofit and for-profit housing developers and to qualified first-time homebuyers for the above purposes.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**3. LOANS RECEIVABLES (Continued)**

**Related Party Loan** – The City entered into a loan agreement with the City Manager on June 30, 2017, to provide the City Manager a long-term loan of \$616,599 to finance the acquisition of the City Manager’s personal residence located within the City. The loan is secured by a deed of trust on the property. The loan was funded by the City’s Water Enterprise Fund. The loan is due upon sale of the property, within twelve months after the termination of the City Manager’s employment with the City, or 30 years from the date of the loan agreement execution, whichever occurs first. The loan bears an interest rate at 2.38% for the first five years of the loan. Interest thereafter will be set annually and shall accrue at a simple rate equal to the Yield at Market achieved by the City’s Managed Portfolio for the quarter ended on June 30 of the previous calendar year, plus 100 basis points or 1%, but shall not exceed 6%. At June 30, 2020, the outstanding balance of this loan was \$575,362.

**4. INTERFUND TRANSACTIONS**

**Transfers Between Funds** – With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2020 were as follows:

FROM FUND:	TO FUND:	AMOUNT:
General Fund	General Capital Projects Fund	\$4,887,817 A
	Non-Major Governmental Funds	6,616,704 B
	Water Enterprise Fund	91,828 B
	Internal Service Funds	6,021,195 B
Federal Grants Special Revenue Fund	Internal Service Funds	96,000 A
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Federal Grants Special Revenue Fund	11,872 A
	Internal Service Funds	3,480 D
Route 238 Corridor Improvement Capital Projects Fund	General Capital Projects Fund	129,000 A
Non-Major Governmental Funds	General Fund	324,050 B
	Federal Grants Special Revenue Fund	3,331 B
	General Capital Projects Fund	750,000 A
	Internal Service Funds	27,838 D
Sewer Enterprise Fund	General Fund	823,783 C
	Internal Service Funds	358,941 B
Water Enterprise Fund	General Fund	1,229,099 C
	Sewer Enterprise Fund	3,730,000 B
	Non-Major Enterprise Funds	150,000 A
	Internal Service Funds	315,714 B
Non-Major Enterprise Funds	General Fund	310,217 C
	Non-Major Governmental Funds	15,000 A
	Internal Service Funds	93,087 D
Internal Service Funds	Internal Service Funds	202,612 C
		<u>\$26,195,465</u>

A To fund capital projects

B To fund debt service, capital projects, and administrative overhead

C To fund allocation of administrative overhead

D To fund General Liability insurance fund

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**4. INTERFUND TRANSACTIONS (Continued)**

***Current Interfund Balances***

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after end of the fiscal year. At June 30, 2020 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Route 238 Corridor Improvement Capital Projects Fund	\$16,273,997
	Local Grants Special Revenue Fund	<u>196,001</u>
		<u><u>\$16,469,998</u></u>

***Long-Term Interfund Advances*** – At June 30, 2020, the funds below had made advances that were not expected to be repaid within the next year.

	<u>Long-Term Interfund Receivable</u>	<u>Long-Term Interfund Payable</u>
General Fund		\$3,091,745
Water Enterprise Fund	<u>\$3,091,745</u>	
Total	<u><u>\$3,091,745</u></u>	<u><u>\$3,091,745</u></u>

In fiscal year 2014, the Water Enterprise Fund loaned \$3,420,000 to the General Fund for costs related to a new fire station and firehouse clinic. This loan bears 2% interest and repayments are made semiannually every December 1<sup>st</sup> and June 1<sup>st</sup>. As of June 30, 2020, the outstanding loan balance was \$3,091,745.

***Internal Balances*** – Internal balances are presented only in the Government-wide financial statements. They represent the net interfund receivable and payables remaining after the elimination of all such balances within governmental and business-type activities.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**5. CAPITAL ASSETS**

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City's policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City begins depreciation on July 1<sup>st</sup> of the year following acquisition. The City has assigned the useful lives listed below to capital assets.

Buildings and improvements	10 – 50 years
Improvements other than Buildings	25 years
Machinery and equipment	7 – 50 years
Streets	25 – 40 years
Traffic Signals	20 years
Medians	25 – 40 years
Conduits	20 years
Drains	20 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**5. CAPITAL ASSETS (Continued)**

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

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$18,950,817				\$18,950,817
Construction in progress	77,017,806	\$22,241,854		(\$51,697,097)	47,562,563
Total capital assets not being depreciated	95,968,623	22,241,854		(51,697,097)	66,513,380
Capital assets being depreciated:					
Buildings and improvements	59,069,887			46,202,191	105,272,078
Improvements other than buildings	27,062,123			902,484	27,964,607
Machinery and equipment	60,144,989	2,608,146	(\$1,152,511)	2,981,963	64,582,587
Streets	341,660,699			1,610,459	343,271,158
Traffic signals	7,993,603				7,993,603
Medians	3,724,705				3,724,705
Conduits	1,540,569				1,540,569
Drains	2,994,000				2,994,000
Total capital assets being depreciated	504,190,575	2,608,146	(1,152,511)	51,697,097	557,343,307
Less accumulated depreciation for:					
Buildings and improvements	29,339,284	2,204,278			31,543,562
Improvements other than buildings	8,910,628	996,061			9,906,689
Machinery and equipment	37,839,438	4,437,668	(994,984)		41,282,122
Streets	98,255,240	9,066,741			107,321,981
Traffic signals	6,349,438	250,730			6,600,168
Medians	2,240,666	93,118			2,333,784
Conduits	1,490,574	30,966			1,521,540
Drains	2,287,242	129,050			2,416,292
Total accumulated depreciation	186,712,510	17,208,612	(994,984)		202,926,138
Net depreciable assets	317,478,065	(14,600,466)	(157,527)	51,697,097	354,417,169
Governmental activity capital assets, net	\$413,446,688	\$7,641,388	(\$157,527)		\$420,930,549

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**5. CAPITAL ASSETS (Continued)**

	Balance June 30, 2019	Additions	Transfers	Balance June 30, 2020
<b><i>Business-type activities:</i></b>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	41,295,586	\$6,785,327	(\$38,948)	48,041,965
Total capital assets not being depreciated	46,053,078	6,785,327	(38,948)	52,799,457
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	46,430,674	201,204		46,631,878
Sewer pipelines and infrastructure	126,188,988			126,188,988
Water pipelines and infrastructure	67,353,077		38,948	67,392,025
Airport hangars, tarmacs and other infrastructure assets	28,131,955			28,131,955
Total capital assets being depreciated	304,863,986	201,204	38,948	305,104,138
Less accumulated depreciation for:				
Buildings and improvements	21,168,601	644,337		21,812,938
Machinery and equipment	18,810,047	1,432,010		20,242,057
Sewer pipelines and infrastructure	60,869,811	3,859,348		64,729,159
Water pipelines and infrastructure	39,001,923	1,715,464		40,717,387
Airport hangars, tarmacs and other infrastructure assets	19,237,188	700,769		19,937,957
Total accumulated depreciation	159,087,570	8,351,928		167,439,498
Net depreciable assets	145,776,416	(8,150,724)	38,948	137,664,640
Business-type activity capital assets, net	\$191,829,494	(\$1,365,397)		\$190,464,097

Governmental capital assets construction in progress was composed of the following at June 30, 2020:

	Project Budget	Expended to June 30, 2020	Committed
Buildings	\$64,680,000	\$11,498,364	\$53,181,636
Improvements other than buildings	122,299,047	34,446,938	87,852,109
Machinery and equipment	3,684,066	993,350	2,690,716
Streets	37,000,000	623,911	36,376,089
Total	\$227,663,113	\$47,562,563	\$180,100,550

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**5. CAPITAL ASSETS (Continued)**

A summary of enterprise fund construction in progress at June 30, 2020 follows:

	Project Budget	Expended to June 30, 2020	Committed
Sewer Enterprise Fund	\$64,494,425	\$30,048,965	\$34,445,460
Water Enterprise Fund	30,517,277	17,441,670	13,075,607
Airport Enterprise Fund	3,763,000	551,330	3,211,670
Total	<u>\$98,774,702</u>	<u>\$48,041,965</u>	<u>\$50,732,737</u>

Sewer facilities constructed for the sole use of the City by EBDA, including construction in progress, are included in capital assets at their full construction cost.

**Construction Commitments** – The government has active construction projects as of June 30, 2020. The projects include construction in areas for newly developed housing and the library. At year end, the government's commitments for these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Measure A1 - Development of 259 units of Affordable Housing	\$800,000	\$27,778,465
21st Century Library and Community Learning Center and Heritage Plaza Arboretum Project	51,012,674	52,948,512
Fire Station 6 and Training Center Project	-	52,397,000

**Capital Asset Contributions** – Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GAAP requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

**Depreciation Allocation** – Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

***Governmental Activities***

General Government	\$1,205,165
Public Safety	9,159,231
Public Works and Transportation	1,247,984
Library and Community Services	682,848
Economic Development	117,220
Planning and Building	556,304
Maintenance Services	355,258
Internal Service Funds	<u>3,884,602</u>
	<u>\$17,208,612</u>

***Business-Type Activities***

Sewer Fund	\$5,037,959
Water Fund	2,326,525
Stormwater Fund	165
Airport Fund	<u>987,279</u>
	<u>\$8,351,928</u>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT**

The City's long-term debt issues and transactions are summarized below:

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion
<b>Governmental Activity Debt:</b>					
<b>Certificates of Participation</b>					
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$64,770,000	\$2,905,000	\$61,865,000	\$3,050,000
Add: Original issue premium	5,689,046	4,790,777	299,423	4,491,354	
Total Certificates of Participation		69,560,777	3,204,423	66,356,354	3,050,000
<b>Direct Borrowings:</b>					
<b>Private Placement Certificates of Participation</b>					
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	14,288,939	1,619,188	12,669,751	1,669,884
Add: Original issue premium	876,695	637,595	79,700	557,895	
<b>Lease Revenue Bonds</b>					
ABAG Series 2001-2 (a), 3.0-5.0%, due 12/01/20	3,589,835	160,000	80,000	80,000	80,000
<b>Loan Payable</b>					
Energy Efficiency Loan (a), 1%, due 12/22/23	2,488,880	1,212,620	264,142	948,478	268,071
<b>Private Placement Loan</b>					
2014 Fire Station #7 and Wellness Center					
Private Placement Loan (a), 2.84%, due 8/1/29	5,500,000	4,086,668	339,183	3,747,485	348,885
Total Direct Borrowings		20,385,822	2,382,213	18,003,609	2,366,840
Subtotal		89,946,599	5,586,636	84,359,963	5,416,840
<b>Direct Borrowings:</b>					
<b>Internal Service Fund Long-Term Debt (b)</b>					
<b>Capital Leases - Equipment</b>					
Solar Power Generator Equipment, 6%, due 03/01/30	1,035,000	579,499	579,499		
Energy Upgrades and Solar Project, 3%, due 06/22/2021	887,152	183,866	90,558	93,308	93,308
<b>Capital Leases - Fleet</b>					
Fire Engines					
3.240%, due 10/22/20	1,906,413	344,493	225,509	118,984	115,504
Fire Engines					
3.05%, due 1/17/24	824,000	443,117	83,341	359,776	85,902
Fire Truck					
2.92%, due 6/15/25	1,272,000	806,950	124,936	682,014	128,611
Total capital lease obligations (Direct Borrowings)		2,357,925	1,103,843	1,254,082	423,325
Subtotal		2,357,925	1,103,843	1,254,082	423,325
Total Governmental Activity Debt		\$92,304,524	\$6,690,479	\$85,614,045	\$5,840,165

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT (Continued)**

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020	Current Portion
<b>Business-type Activity Debt</b>						
<b>Direct Borrowings:</b>						
<b>Private Placement Revenue Bonds</b>						
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/25	\$7,245,000	\$3,840,000		\$595,000	\$3,245,000	\$615,000
<b>Loan Payable</b>						
Energy Efficiency Loan (c), 3%, due 6/22/25	2,450,000	1,187,749		183,450	1,004,299	189,082
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955		\$2,150,955		2,150,955	103,545
<b>State Water Resource Control Board Loan 2006</b> 1%, due 9/30/28 (d)	54,550,018	27,277,116		2,727,501	24,549,615	2,727,501
<b>State Water Resource Control Board Loan 2019</b> 1%, due 03/31/49 (d)	21,227,086	11,081,276			11,081,276	318,566
Total Business-type Activity Debt (Direct Borrowings)		<u>\$43,386,141</u>	<u>\$2,150,955</u>	<u>\$3,505,951</u>	<u>\$42,031,145</u>	<u>\$3,953,694</u>

Debt service payments are generally made from the following sources:

- (a) Revenues recorded in the General Fund.
- (b) Operating revenues recorded in the Internal Service Funds.
- (c) Operating Revenues from the Water Enterprise Fund and Airport Enterprise Fund.
- (d) Operating revenues recorded in the Sewer Enterprise Fund.

Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the City); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2020, the City had total debt outstanding of \$127.6 million, which complies with, and is significantly under, the current policy limits.

***Certificates of Participation (COPs)***

**2015 Certificates of Participation** – On October 1, 2015, the City issued \$67,535,000 in Certificates of Participation (2015 COPs) to acquire and construct a number of capital improvements, including a new library and community learning center, improvements to existing fire stations, and street rehabilitation and repairs. The 2015 COPs bear interest at 3% to 5% and are due serially each November 1. Interest payments are due semi-annually on May 1 and November 1, through maturity in 2034.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT (Continued)**

***2016 Refunding Certificates of Participation (Private Placement)*** – On June 1, 2016, the Hayward Public Financing Authority issued Certificates of Participation (2016 COPs) in the amount of \$19,813,775. The proceeds of the lease obligation were used to refund the 2007 Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position.

The lease obligation is payable each November from 2016 to 2026, in amounts ranging from \$850,000 to \$2,021,009 and bear interest at rates ranging from 2.6% to 2.76%. Interest is payable semiannually on May 1 and November 1.

The bond covenants of the Certificates of Participation contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

***2001 ABAG Lease Revenue Bonds***

In fiscal year 2002, the City issued \$7,475,000 principal amount of ABAG Lease Revenue Bonds, Series 2001-2, (2001-2 Bonds), the proceeds of which were used to finance the cost of acquiring capital assets and to refund and retire various capital lease and certificates of participation obligations. This bifurcated Bond issue is repayable from governmental funds, the Equipment Management Internal Service Fund, the Sewer Enterprise Fund and the Water Enterprise Fund and as a result, the principal balance of the 2001-2 Bonds has been prorated and recorded in each of the above funds and activities. As of June 30, 2020, the portions of bonds repayable from the Equipment Management Internal Service Funds, the Sewer Enterprise Fund and the Water Enterprise Fund were paid off. The remaining balance payable from governmental funds is \$80,000.

***Energy Efficiency Loan***

In fiscal year 2014, the City issued a \$2,488,880 loan for the Energy Conservation Assistance Program, funded by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of streetlight retrofitting. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2023.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT (Continued)**

***2014 Fire Station #7 and Wellness Center Private Placement Loan***

The City entered into a loan agreement with Umpqua Bank in the amount of \$5,500,000 on August 1, 2014. Loan proceeds will be used to fund the design and construction of a Firehouse Wellness Clinic at Fire Station # 7. This loan bears interest of 2.84%. Principal and interest payments are payable semiannually on February 1 and August 1, commencing February 1, 2015 through maturity on August 1, 2029.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

***Capital Lease Obligations***

The City has entered into various capital lease agreements to acquire property, miscellaneous computer mainframe equipment, and various City vehicles. All of the lease agreements require annual payments.

***2013 Water Revenue Refunding Private Placement Loan***

The City issued Water Revenue Refunding Bonds of \$7,245,000 on August 13, 2013, to defease the City's outstanding Public Financing Authority 1996 Revenue Bonds, and to refund 2001 Water System Improvement Project Certificates of Participation and 2004 Water System Improvement Project Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The 2013 Water Revenue Refunding Bonds are secured by a pledge of net revenues of the water system. The Bonds bear interest at a rate per annum at 2.76%. Principal payments are payable May 1. Interest payments are payable semiannually on May 1 and November 1, commencing May 1, 2014 through maturity on May 1, 2025.

The pledge of future Water Fund Revenues ends upon repayment of the \$3.25 million in remaining debt service on the bonds which is scheduled to occur in fiscal year 2025. For fiscal year 2020, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$64.4 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$45.3 million. Net Revenues available for debt service amounted to \$19.1 million, which represented coverage of 27.3 times over the \$700,984 in debt service.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT (Continued)**

***Energy Efficiency Loan***

In fiscal year 2011, the City was issued a \$2,450,000 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of 1 MW Tracking Photovoltaic System on the City's Water Pollution Control Facility. The loan bears interest at 3% and payments are to be made bi-annually on June 22 and December 22 of each year until 2025.

***Energy Efficiency Loan***

In fiscal year 2020, the City was issued a \$2,150,955 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of the Ground Mounted Photovoltaic System installed on City owned property. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2038.

***State Water Resources Control Board Loans***

In June 2006, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Wastewater System Improvement Project. Under the terms of the contract, the City agreed to repay \$54,550,018 to the State in exchange for receiving \$45,458,167 in proceeds used to fund the Project. The difference between the repayment obligation and proceeds amounts to \$9,091,852 upon issue and represents in-substance interest on the outstanding balance. As of June 30, 2020, the City's gross repayment obligation totaled \$24,549,615 and had a corresponding interest expense for \$2,074,216. The repayments of the loan are due annually on September 30, commencing September 30, 2009.

In October 2018, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Recycled Water Project. Under the terms of the contract, the City agreed to repay \$21,227,086 plus interest to the State in exchange for receiving \$27,058,436 in proceeds used to fund the project. The difference between the repayment obligation and proceeds represents a grant from the State on the outstanding balance. As of June 30, 2020, the City has drawn down \$11,081,276. As of June 30, 2020, the City's estimated gross repayment obligation totaled \$11,081,276 and had a corresponding interest expense for \$1,800,080. The loan bears interest at 1% and payments are due annually on January 31 of each year commencing in 2021 until 2050.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**6. LONG-TERM DEBT (Continued)**

***Debt Service Requirements***

At June 30, 2020, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Year Ending June 30:	Governmental Activities - 2015 Certificates of Participation		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$3,050,000	\$2,370,938	\$2,790,165	\$436,788
2022	3,205,000	2,214,563	2,568,978	371,500
2023	3,365,000	2,050,313	2,629,169	310,628
2024	3,530,000	1,877,938	2,558,278	248,167
2025	3,710,000	1,715,488	2,391,807	186,834
2026 - 2030	20,630,000	6,521,827	5,761,399	238,514
2031 - 2035	24,375,000	2,625,187		
Totals	61,865,000	\$19,376,254	18,699,796	\$1,792,431
Plus unamortized premium	4,491,354		557,895	
Total Long-term debt principal, net	\$66,356,354		\$19,257,691	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2021	\$3,953,694	\$256,828
2022	3,985,124	223,424
2023	4,015,343	195,818
2024	4,045,710	167,510
2025	4,066,450	138,279
2026 - 2030	13,209,645	505,713
2031 - 2035	2,414,823	388,423
2036 - 2040	2,273,583	267,122
2041 - 2045	1,982,816	164,077
2046 - 2050	2,083,957	62,933
Totals	\$42,031,145	\$2,370,127

***Defeased Bonds***

As of June 30, 2020, outstanding balances for defeased debt were \$1,095,000 for the 2001 Water System Improvement Project Certificates of Participation and \$13,090,000 for the 2007 Refunding Certificates of Participation. The 2004 Water System Improvement Project Certificates of Participation, 1998 Sewer System Improvement Certificates of Participation, and 1996 Sewer System Improvement Certificates of Participation were fully defeased.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**7. LEASING ARRANGEMENTS**

Certificates of Participation, Lease Revenue Bonds and Capital Leases are issued for the purpose of financing the construction or acquisition of projects defined in each leasing arrangement. Projects are leased to the City for lease payments which, together with unspent proceeds of the leasing arrangement, will be sufficient to meet the debt service obligations of the leasing arrangement. At the termination of the leasing arrangement title to the project will pass to the City.

Leasing arrangements are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. The City's leasing arrangements are included in long term obligations discussed in the preceding note.

**8. SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT**

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activity. A summary of such debt follows:

In June 1999 the Local Improvement District No. 17, Twin Bridges Community Park, issued Limited Obligation Improvement Bonds in the original principal amount of \$396,014 to finance improvements within the District. Outstanding debt at June 30, 2020 was \$130,000.

In October 2013, the Community Facilities District No. 1, Eden Shores issued Special Tax Refunding Bonds, Series 2013, in the original principal amount of \$7,076,294 refunding the 2002 Special Tax Bonds. Outstanding debt for the 2013 Bonds at June 30, 2020 was \$5,250,142.

**9. NET POSITION AND FUND BALANCES**

**Net Position** – Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position are divided into three captions. These captions apply only to Net Position, and are described below:

*Net Investments in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflows.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include the following:

Public Safety Activities – These Net Positions are restricted for activities pertaining to the rehabilitation or reconstruction of pavement, repair of or installation of new sidewalks, maintenance of or improvements to the City's streetlights and traffic signals, as well as other improvements to the City's infrastructure. Such projects primarily draw their funding from Special Revenue Programs operated by the City, including State Gasoline Tax, Alameda County Measure B, and various local, state and federal grants.

Debt Service Activities – These Net Positions are restricted for the use of debt service related activities.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**9. NET POSITION AND FUND BALANCES (Continued)**

Public Works and Transportations Activities – These Net Positions are restricted for grants received by the City for the specific activities involving emergency response and responding to other emergency and other public safety calls for service from the community.

Planning and Buildings Activities – These Net Positions are restricted managing the development of Hayward in order to assure the economic and environmental health of the community, and to protect the health and safety of the community through building inspection, enforcement of codes and standards, and by providing new housing opportunities for residents of the City.

Economic Development Activities – These Net Positions are restricted by state law to housing redevelopment activities of the City of Hayward.

*Unrestricted* describes the portion of Net Position which is not restricted as to use.

**Fund balance** – Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by the resolutions of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. In accordance to the City's fund balance policy, intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**9. NET POSITION AND FUND BALANCES (Continued)**

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

***Fund balance flow assumptions*** – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Minimum Fund Balance Policies*** – The City's Budget and Fiscal Policy requires the City to strive to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one time expenditures. These resources also provide a first defense against deficit spending and help maintain liquidity when budgeted drawdowns are inevitable. The reserve may be used at the City Council's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one time opportunities. These resources are intended to provide flexibility to respond to unexpected opportunities that may help the City of Hayward achieve its goals. The use of these funds may also be tied to an adverse change in economic indicators to ensure that the funds are not depleted before an emergency arises.

It is the policy of the City of Hayward to establish and maintain adequate financial reserves in order to avoid the negative effects of economic cycles upon essential services to the public and to assure that annual fluctuations in revenue receipts do not impede the City's ability to meet its expenditure obligations.

During periods of economic sufficiency, these reserves shall be used as a source of supplemental revenue through prudent investments and earnings under policies of the City Council and for meeting short term cash flow deficiencies. During periods of economic downturns, when revenues fail to meet the normal operating requirements of essential public services, or when need for reserves temporarily exceeds receipts, these designations may, upon the recommendation of the City Manager and the authorization of the City Council, be used in accordance with the standards set forth herein.

Under GASB 54, such reserves are includable in Unassigned fund balance when the usage is predicated on general circumstances which are expected to routinely occur.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**9. NET POSITION AND FUND BALANCES (Continued)**

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

	<u>Balance at June 30, 2020</u>
<b>Nonspendables:</b>	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$5,236,442
Deposits, parts, supplies and other	<u>6,460</u>
<b>Total Nonspendable Fund Balances</b>	<u>5,242,902</u>
<b>Assigned:</b>	
Capital projects	256,170
Measure C District sales tax	<u>21,835,873</u>
<b>Total Assigned Fund Balances</b>	<u>22,092,043</u>
<b>Unassigned:</b>	
Designations:	
Liquidity	<u>25,348,230</u>
<b>Total Unassigned Fund Balances</b>	<u>25,348,230</u>
<b>Total Fund Balances</b>	<u><u>\$52,683,175</u></u>

- **Liquidity:** Minimum balance equal to greater of \$2.5 million or 5% of the annual general fund operating appropriations.

This reserve is to address short-term borrowing needs the City may encounter. Certain major revenues of the general fund are passed through other government agencies, state and county. The City cannot control the timing of when they make payments to the City.

- In October 2014, the Citizens of Hayward approved the Measure C District Sales Tax, a general tax. Fund balances related to this Measure have been assigned.

**Deficit Fund Balances** – As of June 30, 2020, the following funds had a deficit:

The Route 238 Corridor Improvement Capital Projects Fund reported a deficit of \$9,212,995 at June 30, 2020 due to expenditures related to Mission Boulevard Improvements. This deficit is expected to be eliminated with future revenues.

The General Liability Internal Service Fund reported a deficit of \$1,261,427 at June 30, 2020 due to a larger than expected claims adjustment at the end of fiscal year 2020. This deficit is expected to be eliminated with future internal service fund charges.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**10. ACCRUED RECLAMATION COSTS**

To comply with regulatory requirements imposed by the California Regional Water Quality Control Board and the Alameda County Department of Environmental Health, the City expects to incur reclamation costs associated with an abandoned 60 acre landfill site. Such costs represent placing an 18-inch vegetative cover over the landfill site as well as ongoing monitoring costs. Annually the City expects to incur \$125,000 in expenses related to reclamation costs for the site. These expenses will be funded by operating revenue of the Sewer Enterprise Fund. Reclamation payments totaled \$153,408 for the year ended June 30, 2020. Reclamation costs are accrued in the Sewer Enterprise Fund. Actual costs may be higher due to inflation, changes in technology, or changes in State or Federal regulations.

**11. DEFERRED COMPENSATION PLAN**

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death, or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

**12. PENSION PLANS**

***General Information about the Pension Plans***

***Plan Descriptions*** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided*** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**12. PENSION PLANS (Continued)**

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.50%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates (A)	9.496%	9.496%

	<b>Safety - Fire</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	9.75%
Required employer contribution rates (A)	18.452%	18.452%

	<b>Safety - Police</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	12.00%
Required employer contribution rates (A)	22.755%	22.755%

(A) Rates represents blended combination rates

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

***Employees Covered*** – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2018 and measurement date of June 30, 2019:

	Miscellaneous	Safety-Fire	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	525	186	327
Inactive employees entitled to but not yet receiving benefits	682	23	73
Active employees	902	129	175
Total	2,109	338	575

Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Net Pension Liability***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**12. PENSION PLANS (Continued)**

**Actuarial Assumptions** – For the measurement period ended June 30, 2019, the total pension liabilities were determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>All Plans</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS Experience Study and review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

***Changes in the Net Pension Liability***

The changes in the Net Pension Liability for each Plan follow:

***Miscellaneous Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2018</b>	<b>\$459,488,995</b>	<b>\$305,620,064</b>	<b>\$153,868,931</b>
<b>Changes in the year:</b>			
Service cost	8,124,065		8,124,065
Interest on the total pension liability	32,708,864		32,708,864
Differences between actual and expected experience	6,313,847		6,313,847
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		12,008,441	(12,008,441)
Contribution - employee		4,682,650	(4,682,650)
Net investment income		19,998,965	(19,998,965)
Administrative expenses		(218,097)	218,097
Benefit payments, including refunds of employee contributions	(24,796,470)	(24,796,470)	
Other miscellaneous income/(expense)		711	(711)
<b>Net changes</b>	<b>22,350,306</b>	<b>11,676,200</b>	<b>10,674,106</b>
<b>Balance at June 30, 2019</b>	<b>\$481,839,301</b>	<b>\$317,296,264</b>	<b>\$164,543,037</b>

***Safety - Fire Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2018</b>	<b>\$300,365,184</b>	<b>\$187,020,698</b>	<b>\$113,344,486</b>
<b>Changes in the year:</b>			
Service cost	5,286,457		5,286,457
Interest on the total pension liability	21,091,439		21,091,439
Differences between actual and expected experience	270,193		270,193
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		8,015,957	(8,015,957)
Contribution - employee		3,093,507	(3,093,507)
Net investment income		12,184,975	(12,184,975)
Administrative expenses		(133,462)	133,462
Benefit payments, including refunds of employee contributions	(16,586,918)	(16,586,918)	
Other miscellaneous income/(expense)		437	(437)
<b>Net changes</b>	<b>10,061,171</b>	<b>6,574,496</b>	<b>3,486,675</b>
<b>Balance at June 30, 2019</b>	<b>\$310,426,355</b>	<b>\$193,595,194</b>	<b>\$116,831,161</b>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

*Safety - Police Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2018</b>	<b>\$393,894,833</b>	<b>\$243,657,276</b>	<b>\$150,237,557</b>
<b>Changes in the year:</b>			
Service cost	7,716,531		7,716,531
Interest on the total pension liability	28,039,320		28,039,320
Differences between actual and expected experience	4,860,684		4,860,684
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		12,243,071	(12,243,071)
Contribution - employee		3,750,089	(3,750,089)
Net investment income		16,002,505	(16,002,505)
Administrative expenses		(173,879)	173,879
Benefit payments, including refunds of employee contributions	(20,910,933)	(20,910,933)	
Other miscellaneous income/(expense)		567	(567)
<b>Net changes</b>	<b>19,705,602</b>	<b>10,911,420</b>	<b>8,794,182</b>
<b>Balance at June 30, 2019</b>	<b>\$413,600,435</b>	<b>\$254,568,696</b>	<b>\$159,031,739</b>
<b>Combined Total</b>	<b>\$1,205,866,091</b>	<b>\$765,460,154</b>	<b>\$440,405,937</b>

The long-term portion of the governmental activities Net Pension Liability is liquidated primarily by the General Fund.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety-Fire	Safety-Police
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$225,710,456	\$157,741,368	\$215,934,047
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$164,543,037	\$116,831,161	\$159,031,739
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$113,842,401	\$83,126,130	\$112,532,091

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

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

For the year ended June 30, 2020, the City recognized pension expense of \$44,811,378. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

***Miscellaneous Plan:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$12,996,103	
Differences between actual and expected experience	4,500,505	
Changes in assumptions		(\$731,070)
Net differences between projected and actual earnings on plan investments		(1,779,276)
Total	<u>\$17,496,608</u>	<u>(\$2,510,346)</u>

***Safety Plan - Fire:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$9,197,653	
Differences between actual and expected experience	2,955,111	(\$125,888)
Changes in assumptions	6,251,768	(829,417)
Net differences between projected and actual earnings on plan investments		(990,595)
Total	<u>\$18,404,532</u>	<u>(\$1,945,900)</u>

***Safety Plan - Police:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$13,839,941	
Differences between actual and expected experience	3,510,494	(\$1,329,149)
Changes in assumptions	4,622,472	(729,444)
Net differences between projected and actual earnings on plan investments		(1,348,750)
Total	<u>\$21,972,907</u>	<u>(\$3,407,343)</u>
<b>Combined total</b>	<u><u>\$57,874,047</u></u>	<u><u>(\$7,863,589)</u></u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**12. PENSION PLANS (Continued)**

\$36,033,697 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$3,467,807
2022	(1,250,540)
2023	(530,374)
2024	303,266
Total	<u>\$1,990,159</u>

***Safety Plan - Fire:***

Year Ended June 30	Annual Amortization
2021	\$5,368,097
2022	1,648,897
2023	(31,698)
2024	242,500
2025	33,183
Total	<u>\$7,260,979</u>

***Safety Plan - Police:***

Year Ended June 30	Annual Amortization
2021	\$5,356,325
2022	(1,263,512)
2023	387,296
2024	245,514
Total	<u>\$4,725,623</u>

***Subsequent Event – CalPERS Pension Contribution Rates*** – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to the UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ending June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**13. PUBLIC AGENCY RETIREMENT SYSTEM**

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective January 1, 1992, the City contracted with the Public Agency Retirement System (PARS), a defined contribution plan. This Plan covers part-time, seasonal and temporary employees and all employees not covered by another retirement system. All eligible employees covered by the Plan are fully vested. The benefits a participant will receive depend on contributions. Employer liabilities are limited to the amount of current contributions.

As approved by Council, PARS participants contribute 3.75% and the City contributes 3.75% of salary each pay period. Contributions made by an employee and the employer vest immediately. No forfeitures were noted during the current period.

For the fiscal year ending June 30, 2020, total contributions of \$19,034 were made based on a total amount of covered compensation of \$510,965.

**14. OTHER POSTEMPLOYMENT BENEFITS**

**Provisions and Benefits**

**OPEB Healthcare** The City participates in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans.

By City Council resolution the City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). Required retiree medical plan contributions are also governed by PEMCHA for member agencies.

The City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEMCHA. Benefits continue for surviving spouses in amounts as required by PEMCHA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$136 to \$139 per month in lieu of contributions to the CalPERS plan.

**Employees Covered**

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

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Net OPEB Liability**

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

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	3.0%
Investment Rate of Return	6.90%
Mortality Rate	The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	4% to 5.40%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Inflation Assets	5.0%	1.46%
Fixed Income	25.0%	2.62%
Global Equities	59.0%	5.98%
REITs	8.0%	5.00%
Commodities	3.0%	2.87%
Total	<u>100.0%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Changes in Net OPEB Liability-** The changes in the Net OPEB Liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2018	\$113,703,064	\$5,460,558	\$108,242,506
Changes Recognized for the Measurement Period:			
Service Cost	4,121,478		4,121,478
Interest on the total OPEB liability	4,186,619		4,186,619
Differences between expected and actual experience		458,766	(458,766)
Changes of assumptions	(32,786,613)		(32,786,613)
Plan experience	2,686,781		2,686,781
Contributions from the employer		6,344,188	(6,344,188)
Contributions from the employee		377,793	(377,793)
Net investment income		(3,349)	3,349
Administrative expenses		(1,348)	1,348
Benefit payments	(4,344,188)	(4,344,188)	
Net changes	(26,135,923)	2,831,862	(28,967,785)
Balance at June 30, 2019 (Measurement Date)	\$87,567,141	\$8,292,420	\$79,274,721

**Sensitivity of the Net OPEB Liability**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (5.90 %)	Discount Rate (6.90%)	Discount Rate +1% (7.90%)
\$90,129,813	\$79,274,721	\$70,183,521

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease (4.4%)	Trend Rates (5.4%)	1% Increase (6.4%)
\$70,641,334	\$79,274,721	\$90,134,573

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2020, the City recognized OPEB expense of \$721,396. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$7,455,802	
Changes of assumptions	3,955,965	(\$38,044,520)
Difference between Expected and Actual Experience	2,265,656	
Net difference between projected and actual earnings on investments		(34,744)
Total	<u>\$13,677,423</u>	<u>(\$38,079,264)</u>

\$7,455,802 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2021	(\$6,781,463)
2022	(6,781,465)
2023	(6,756,775)
2024	(5,015,625)
2025	(4,729,541)
Thereafter	(1,792,774)
Total	<u>(31,857,643)</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**15. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; natural disasters. The City is self-insured for its general liability, workers' compensation, malpractice liability, and general and auto liability. The City has chosen to establish risk financing internal service funds where assets are set aside for claim settlements associated with the above risks of loss up to certain limits.

Type of Coverage	Self Insurance	Coverage and Limits
General Liability	\$0 - \$1,000,000 per occurrence	\$250,000- \$25,000,000
Workers' compensation	\$0 - statutory limits	None
Property	\$0 - \$500,000 per occurrence	\$250,000 - \$1,000,000,000
Cyber	\$0 - \$100,000 per occurrence	\$500,000 - \$25,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$2,000,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$750,000 per pollution condition	\$500,000- \$25,000,000

Amounts in excess of the insured limits are self-insured.

In fiscal year 2004, the City did not renew its workers' compensation insurance coverage and instead elected to self-insure all workers' compensation claims.

The City is a member of the Exclusive Risk Management Authority of California JPA (formally known as CA Risk Management Authority) for general municipal liability insurance coverage.

**Self-Insurance** – The City records estimated liabilities for general liability claims filed or expected to be filed as part of the accrued liabilities in the General Liability Fund (internal service fund). Charges to the General Fund and other funds are determined from an analysis of self-insured claim costs and recorded as transfers from such funds to the General Liability Fund.

The City records estimated liabilities for workers' compensation claims filed or expected to be filed as part of the accrued liabilities in the Workers' Compensation Insurance Fund (internal service fund). Premiums are paid to the Insurance Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Property damage risks are covered on an occurrence basis up to the deductibles listed above by commercial insurance, Driver Alliant Insurance Services Inc., purchased from independent third parties. All properties are insured at full replacement values. During the past three years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The unpaid workers' compensation claims liabilities included in the Worker's Compensation Insurance Internal Service Fund are based on the results of an actuarial study and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. In addition, the liability is discounted using an annual interest rate of 2%.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**15. RISK MANAGEMENT (Continued)**

Changes in the balances of claims liabilities, including a provision for claims incurred but not reported, during the past two fiscal years are as follows:

	General Liability	Workers' Compensation	Totals, as of June 30	
			2020	2019
Balance, beginning of year	\$2,899,516	\$18,488,910	\$21,388,426	\$18,506,242
Current year claims and changes in estimates	4,558,055	492,008	5,050,063	8,902,098
Claims paid	(2,123,372)	(3,546,336)	(5,669,708)	(6,019,914)
Balance, end of year	<u>\$5,334,199</u>	<u>\$15,434,582</u>	<u>\$20,768,781</u>	<u>\$21,388,426</u>

GASB #10 requires the City to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including allocated loss adjustment expense and unallocated loss adjustment expenses. GASB #10 does not prohibit the discounting of losses to recognize investment income. The City's estimated minimum liability at June 30, 2020 is \$20,768,781. This amount is net of the allowable adjustment to recognize investment income.

**16. JOINT POWERS AGREEMENTS**

In March 2013, agencies of Alameda County entered into a Joint Powers Agreement creating the Energy Council to further the efforts of the Alameda County Waste Management Authority (ACWMA) in efforts to seek funding, develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency and advance the use of clean efficient and renewable resources in the region for the benefit of the member agencies. No debt, liability, or obligation of the Energy Council shall constitute a debt, liability of obligation of the City of Hayward pursuant to Government Code section 6508.1 and the terms of the agreement. The Energy Council shall be governed by the Board, consisting of one member from each governing body of each member agency. The financial activities for the Energy Council are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City.

The East Bay Dischargers Authority ("EBDA") was established in 1974 under the Joint Exercise of Powers Act of the State of California by the Cities of Hayward and San Leandro, and the Ora Loma, Castro Valley, and Union Sanitary Districts for the purpose of planning, acquiring, constructing, managing and operating common use and individual wastewater treatment and disposal facilities for the member agencies. The governing body of EBDA consists of five members, one appointed by each of the member agencies. The City exercises a weighted vote of 20.7% of the total vote. As a separate legal entity, EBDA exercises full powers and authorities within the scope of the Joint Powers Agreement. Obligations and liabilities of EBDA are not those of the member agencies.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**16. JOINT POWERS AGREEMENTS (Continued)**

The financial activities for EBDA are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City. Transactions with and the investment in the joint powers agency are accounted for as follows:

- a) Payments related to the services which the City received during fiscal year 2020 amounted to \$960,098 and are recorded as materials, supplies and services expenses.
- b) Payments related to the City's long-term investment in the joint powers agency, for which the City has the ability to exercise significant influence over operating and financial policies, are recorded as an investment in the East Bay Dischargers Authority under the equity method. The City's equity approximates one-third of the total net position of EBDA and amounts to \$10,382,103 at June 30, 2020.

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

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

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**17. COMMITMENTS AND CONTINGENCIES**

***Litigation***

The City is a defendant in several lawsuits arising from its normal operations. City management is of the opinion that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

***Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge***

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25-year agreement with the SFPUC. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**17. COMMITMENTS AND CONTINGENCIES (Continued)**

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$2,850,780 during fiscal year 2020, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2021 is estimated to be \$2,772,684.

**18. CONDUIT DEBT WITHOUT CITY COMMITMENT**

On March 26, 1998, the City assisted in the issuance of \$9,500,000 in Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1998A for the purpose of providing funds to make a loan to Santa Clara Associates, LLC to provide permanent financing for a multifamily rental housing project known as the Timbers Apartments Project. Interest on the bonds is payable monthly commencing April 1, 1998. Principal on the Bonds is due March 1, 2023. The City has no legal or moral commitment for the repayment of these bonds.

On August 15, 2001, the City sponsored the issuance of the City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds (Lord Tennyson Apartments), 2001 Series A which were issued in the aggregate principal amount of \$6,450,000 to assist a developer in financing the acquisition and rehabilitation of a 96-unit multifamily complex located in Hayward. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On January 6, 2004 the City sponsored the issuance of the second supplement of the 1984A City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds, (Shorewood Apartment Project) which were issued in the aggregate principal amount of \$33,100,000 to refinance prior bonds used to finance the acquisition and construction of a 544-unit multifamily rental housing complex. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On April 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Lord Tennyson Apartments) 2005 Series A and 2005 Series A-T which were issued in the aggregate principal amount of \$14,625,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

On October 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Las Casitas of Hayward) 2005 Series A which were issued in the aggregate principal amount of \$6,325,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**18. CONDUIT DEBT WITHOUT CITY COMMITMENT (Continued)**

On November 28, 2006, the City sponsored the issuance of Multi-Family Housing Revenue Bonds (Saklan Family Housing Development) 2006 Series A which were issued in the aggregate principal amount of \$14,000,000 to assist in the construction and development 78-unit Saklan Family Housing project. The City has no legal or moral liability with respect to the payment of this debt.

On November 10, 2014, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (South Hayward BART Family and Senior Affordable Apartments) 2014 Series A which were issued in the aggregate principal amount of \$32,261,046 to assist in the acquisition and construction of a 150-unit multifamily rental housing facility. The City has no legal or moral liability with respect to the payment of this debt.

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

***Redevelopment Dissolution***

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City initially declined to become the Housing Successor, however after other agencies refused to assume the responsibility, the City elected to become the temporary Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Housing Authority Capital Projects Fund.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 30, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Housing Successor are reported in the Housing Authority Capital Projects Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Cash and Investments***

The Successor Agency pools cash from all sources and all funds with the City so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The details of the City's investment pool can be found in Note 2.

Restricted cash and investments may be used only for activities authorized by the bond indentures of the Successor Agency's Bonds.

***Loans Receivable***

The Successor Agencies assumed the notes and loans receivable of the former Redevelopment Agency as of February 1, 2012. The balance of the notes receivable assumed by the Successor Agency at June 30, 2020 was \$24,509,337 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust, consisting of rehabilitation and construction loans.

***Elementary School and Public Improvements (Cannery/Burbank Project)*** – Pursuant to an agreement between the former Redevelopment Agency, City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the former Redevelopment Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the former Redevelopment Agency. The project was completed during the year ended June 30, 2009 for a total cost of \$35,944,664. The site and improvements have been conveyed to the School District in exchange for a portion of land owned by the School District (the old school site).

The former Redevelopment Agency also agreed to deconstruct the old school site, and finance the cost of certain infrastructure improvements to the adjacent Cannery Park, which will be jointly used by the HARD, Park District and the School District. This infrastructure project was completed during the year ended June 30, 2009 for a total cost of \$6,813,260. The site and improvements have been conveyed to the HARD.

Receivables – To partially compensate the former Redevelopment Agency for the above design and construction costs and repay the advances, the School District, HARD and the City have agreed to assign certain school development fees and park-in-lieu fees to the former Redevelopment Agency. In addition, the School District has agreed that the former Redevelopment Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code, as partial compensation for the above costs. The remaining unreimbursed costs are recorded in a schedule of changes in the loan receivable balance for the year ended June 30, 2020.

	School Project	Cannery Park	Cinema Place	Retail Attraction	Total
Balance at June 30, 2019	\$19,259,659	\$3,491,901	\$275,624	\$1,534,779	\$24,561,963
Less: Loan Payments				52,626	52,626
Balance at June 30, 2020	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Capital Assets***

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012.

Capital Assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their acquisition values. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows.

Buildings and improvements	10 - 50 years
Improvements other than Buildings	15 years
Machinery and equipment	7 - 50 years

The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

***Capital Asset Additions, Retirements, and Balances***

	Balance June 30, 2019	Additions	Balance June 30, 2020
Capital assets not being depreciated:			
Land	\$4,430,516		\$4,430,516
Total capital asset not being depreciated	4,430,516		4,430,516
Capital assets being depreciated:			
Buildings and improvements	14,135,897		14,135,897
Machinery and equipment	9,575		9,575
Total capital asset being depreciated	14,145,472		14,145,472
Less accumulated depreciation for:			
Buildings and improvements	4,020,166	\$314,131	4,334,297
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,029,741	314,131	4,343,872
Net depreciable assets	10,115,731	(314,131)	9,801,600
Private purpose trust fund assets, net	\$14,546,247	(\$314,131)	\$14,232,116

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Loans Payable***

The Successor Agencies assumed the notes and loans payable of the former Redevelopment Agency as of February 1, 2012. The balance of the loans payable assumed by the Successor Agency at June 30, 2020 was \$9,139,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	<b>Advances to Private Purpose Trust Fund</b>	<b>Advances From City</b>
General Fund	\$5,236,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$9,139,979
Total	<u>\$9,139,979</u>	<u>\$9,139,979</u>

Funds were advanced from the City to the former Redevelopment Agency under an Amended Repayment Agreement whereby the Agency has agreed to reimburse the City a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza not to exceed \$11,186,217.

Under the Dissolution Act, certain agreements between Cities and redevelopment agencies no longer qualify as enforceable obligations. However, with the passage of AB 1484 on June 28, 2012, upon meeting certain requirements including the issuance of a finding of completion by the State Department of Finance and approval from the Oversight Board, this loan was restored at LAIF rates from inception. The amounts above reflect only the principal portion of the loan. As a result of the State Controller's Office Asset Transfer Review, completed in 2014, a loan repayment made by the Successor Agency to the City's General Fund in March 2011 of \$2.22 million was disallowed. Additional repayments of \$1,041,075 by the Successor Agency to the City's Water Enterprise Fund and \$831,877 by the Successor Agency to the City's Sewer Enterprise Fund were also disallowed. These balances are reflected in the table above. In late November 30, 2018 the California State Supreme Court granted the Petition Writ of Mandate in the City's favor which confirms that the \$2.22 million obligation due the General Fund would be recognized and repaid by the State Department of Finance.



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

***Long-Term Debt***

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 2012. The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter.

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion
Tax Allocation Bonds, 2016 Refunding Redevelopment Agency due 3/1/2036, interest at 2.0%-5.0%	\$35,270,000	\$29,815,000	\$1,805,000	\$28,010,000	\$1,880,000
Add: Original Issue Premium		3,128,143	184,009	2,944,134	
Total	\$35,270,000	\$32,943,143	\$1,989,009	\$30,954,134	\$1,880,000

At June 30, 2020, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$1,880,000	\$1,344,550
2022	1,975,000	1,254,250
2023	2,070,000	1,154,375
2024	2,180,000	1,049,625
2025	2,290,000	939,375
2026 - 2030	10,295,000	2,938,000
2031 - 2035	5,920,000	1,067,175
2036	1,400,000	41,900
Totals	28,010,000	\$9,789,250
Plus unamortized premium	2,944,134	
Total Long-term debt principal, net	\$30,954,134	

***2016 Tax Allocation Refunding Bonds***

On November 29, 2016, the Successor Agency issued 2016 Tax Allocation Refunding Bonds in the amount of \$35,270,000. The proceeds of the Bonds were used to refund the 2004 Tax Allocation Bonds and 2006 Tax Allocation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The Bonds are payable in annual installments as indicated below until maturity on March 1, 2036. Interest is paid semiannually on March 1 and September 1, with rates ranging from 2.0% to 5.0% per annum.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the bonds, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The Successor Agency only receives the funds necessary to fulfill its approved obligations. In fiscal year 2020, total tax increment calculated and available for distribution by the County Auditor-Controller was \$3,791,673, and the total received by the Successor Agency was \$3,791,673. The taxes available for distribution covered 118% of the \$3,222,450 of debt service.

***Commitments and Contingencies***

***State Approval of Enforceable Obligations – Successor Agency***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

Measurement Date	6/30/2014	6/30/2015
<b>Total Pension Liability</b>		
Service Cost	\$6,288,587	\$5,922,880
Interest	27,661,985	28,504,068
Differences between expected and actual experience		(3,128,990)
Changes in assumptions		(6,628,461)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)
<b>Net change in total pension liability</b>	14,599,007	3,551,977
<b>Total pension liability - beginning</b>	375,357,954	389,956,961
<b>Total pension liability - ending (a)</b>	<u>\$389,956,961</u>	<u>\$393,508,938</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$7,412,951	\$8,397,492
Contributions - employee	3,116,188	3,176,411
Net investment income	42,388,729	6,280,326
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)
Plan to plan resource movement		2,005
Administrative expense		(311,784)
Other miscellaneous income/(expense)		
<b>Net change in plan fiduciary net position</b>	33,566,303	(3,573,070)
<b>Plan fiduciary net position - beginning</b>	247,040,337	280,606,640
<b>Plan fiduciary net position - ending (b)</b>	<u>\$280,606,640</u>	<u>\$277,033,570</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$109,350,321</u>	<u>\$116,475,368</u>
 Plan fiduciary net position as a percentage of the total pension liability	71.96%	70.40%
Covered payroll	\$37,254,645	\$37,577,455
Net pension liability as percentage of covered payroll	293.52%	309.96%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$6,147,333	\$7,504,688	\$7,869,869	\$8,124,065
29,369,393	30,173,942	31,188,964	32,708,864
(1,584,352)	444,821	2,372,377	6,313,847
	23,917,327	(2,819,842)	-
			-
<u>(22,169,235)</u>	<u>(22,746,836)</u>	<u>(23,688,392)</u>	<u>(24,796,470)</u>
11,763,139	39,293,942	14,922,976	22,350,306
<u>393,508,938</u>	<u>405,272,077</u>	<u>444,566,019</u>	<u>459,488,995</u>
<u><u>\$405,272,077</u></u>	<u><u>\$444,566,019</u></u>	<u><u>\$459,488,995</u></u>	<u><u>\$481,839,301</u></u>
\$9,973,051	\$11,093,282	\$10,774,004	\$12,008,441
3,159,686	3,799,837	4,511,187	4,682,650
1,454,000	29,788,614	24,576,008	19,998,965
(22,169,235)	(22,746,836)	(23,688,392)	(24,796,470)
(11,393)	(46,705)	(711)	-
(168,838)	(397,560)	(453,086)	(218,097)
		(860,419)	711
<u>(7,762,729)</u>	<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>
<u>277,033,570</u>	<u>269,270,841</u>	<u>290,761,473</u>	<u>305,620,064</u>
<u><u>\$269,270,841</u></u>	<u><u>\$290,761,473</u></u>	<u><u>\$305,620,064</u></u>	<u><u>\$317,296,264</u></u>
<u><u>\$136,001,236</u></u>	<u><u>\$153,804,546</u></u>	<u><u>\$153,868,931</u></u>	<u><u>\$164,543,037</u></u>
66.44%	65.40%	66.51%	65.85%
\$37,278,957	\$39,325,308	\$43,553,412	\$42,884,033
364.82%	391.11%	353.29%	383.69%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$8,401,478	\$10,026,685
Contributions in relation to the actuarially determined contributions	8,401,478	10,026,685
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$37,577,455	\$37,278,957
Contributions as a percentage of covered payroll	22.36%	26.90%

**Notes to Schedule**

Valuation date: 6/30/2013 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Investment rate of return	7.50% for 2015 to 2018, 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$11,092,052	\$10,776,908	\$12,013,423	\$12,996,103
<u>11,092,052</u>	<u>10,776,908</u>	<u>12,013,423</u>	<u>12,996,103</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706
28.21%	24.74%	28.01%	26.41%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Safety - Fire Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

<b>Measurement Date</b>	<b>6/30/2014</b>	<b>6/30/2015</b>
<b>Total Pension Liability</b>		
Service Cost	\$4,037,733	\$3,887,900
Interest	17,319,964	18,049,868
Differences between expected and actual experience		763,164
Changes in assumptions		(4,308,430)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)
<b>Net change in total pension liability</b>	9,303,033	4,998,406
<b>Total pension liability - beginning</b>	234,941,316	244,244,349
<b>Total pension liability - ending (a)</b>	<b>\$244,244,349</b>	<b>\$249,242,755</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$4,128,191	\$4,969,514
Contributions - employee	2,212,037	2,383,255
Net investment income	26,481,168	3,918,637
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)
Plan to plan resource movement		
Administrative expense		(193,742)
Other miscellaneous income/(expense)		
<b>Net change in plan fiduciary net position</b>	20,766,732	(2,316,432)
<b>Plan fiduciary net position - beginning</b>	153,701,396	174,468,128
<b>Plan fiduciary net position - ending (b)</b>	<b>\$174,468,128</b>	<b>\$172,151,696</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$69,776,221</b>	<b>\$77,091,059</b>
 Plan fiduciary net position as a percentage of the total pension liability	 71.43%	 69.07%
 Covered payroll	 \$14,894,224	 \$15,304,881
 Net pension liability as percentage of covered payroll	 468.48%	 503.70%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68



<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$4,145,914	\$5,098,972	\$4,895,549	\$5,286,457
19,111,623	19,657,506	20,408,514	21,091,439
5,499,415	(324,662)	2,612,499	270,193
	16,122,983	(1,401,429)	-
			-
<u>(13,979,969)</u>	<u>(14,874,772)</u>	<u>(15,849,714)</u>	<u>(16,586,918)</u>
14,776,983	25,680,027	10,665,419	10,061,171
<u>249,242,755</u>	<u>264,019,738</u>	<u>289,699,765</u>	<u>300,365,184</u>
<u>\$264,019,738</u>	<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>
\$5,795,308	\$6,378,762	\$6,646,548	\$8,015,957
2,527,042	2,544,269	2,516,137	3,093,507
802,917	18,488,612	15,036,869	12,184,975
(13,979,969)	(14,874,772)	(15,849,714)	(16,586,918)
		(437)	-
(104,917)	(246,848)	(279,683)	(133,462)
		(531,122)	437
<u>(4,959,619)</u>	<u>12,290,023</u>	<u>7,538,598</u>	<u>6,574,496</u>
172,151,696	167,192,077	179,482,100	187,020,698
<u>\$167,192,077</u>	<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>
<u>\$96,827,661</u>	<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>
63.33%	61.95%	62.26%	62.36%
\$15,425,723	\$16,579,674	\$17,977,548	\$19,202,305
627.70%	664.78%	630.48%	608.42%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$4,879,642	\$5,789,172
Contributions in relation to the actuarially determined contributions	4,879,642	5,789,172
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$15,304,881	\$15,425,723
Contributions as a percentage of covered payroll	31.88%	37.53%

**Notes to Schedule**

Valuation date: 6/30/2013 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	27 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

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

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$6,383,503	\$6,646,548	\$8,015,966	\$9,197,653
6,383,503	6,646,548	8,015,966	9,197,653
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921
38.50%	36.97%	41.74%	48.44%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

**CITY OF HAYWARD**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan  
Last 10 Years\*

<b>Measurement Date</b>	<b>6/30/2014</b>	<b>6/30/2015</b>
<b>Total Pension Liability</b>		
Service Cost	\$6,810,663	\$6,454,659
Interest	22,705,717	23,663,122
Differences between expected and actual experience		(823,804)
Changes in assumptions		(5,929,992)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)
<b>Net change in total pension liability</b>	<b>14,287,468</b>	<b>6,581,647</b>
<b>Total pension liability - beginning</b>	<b>306,952,014</b>	<b>321,239,482</b>
<b>Total pension liability - ending (a)</b>	<b>\$321,239,482</b>	<b>\$327,821,129</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$5,781,918	\$7,594,532
Contributions - employee	3,731,615	3,296,967
Net investment income	32,686,768	4,819,953
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)
Net plan to plan resource movement		
Administrative expense		(241,860)
Other miscellaneous income/(expense)		
<b>Net change in plan fiduciary net position</b>	<b>26,971,389</b>	<b>(1,312,746)</b>
<b>Plan fiduciary net position - beginning</b>	<b>189,244,302</b>	<b>216,215,691</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$216,215,691</b>	<b>\$214,902,945</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$105,023,791</b>	<b>\$112,918,184</b>
Plan fiduciary net position as a percentage of the total pension liability	67.31%	65.55%
Covered payroll	\$21,359,362	\$22,033,138
Net pension liability as percentage of covered payroll	491.70%	512.49%

**Notes to Schedule:**

**Benefit changes.** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$6,807,555	\$8,055,656	\$8,436,727	\$7,716,531
25,023,071	25,738,287	26,651,517	28,039,320
4,712,282	(3,900,767)	(1,105,506)	4,860,684
	21,956,739	(1,587,612)	-
			-
(17,676,444)	(17,590,706)	(19,447,095)	(20,910,933)
18,866,464	34,259,209	12,948,031	19,705,602
327,821,129	346,687,593	380,946,802	393,894,833
<u>\$346,687,593</u>	<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>
\$8,594,361	\$10,508,222	\$10,740,724	\$12,243,071
3,666,124	3,782,992	3,754,299	3,750,089
1,028,532	23,301,215	19,562,389	16,002,505
(17,676,444)	(17,590,706)	(19,447,095)	(20,910,933)
11,302		(567)	-
(130,972)	(310,635)	(358,539)	(173,879)
		(680,871)	567
(4,507,097)	19,691,088	13,570,340	10,911,420
214,902,945	210,395,848	230,086,936	243,657,276
<u>\$210,395,848</u>	<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>
<u>\$136,291,745</u>	<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>
60.69%	60.40%	61.86%	61.55%
\$21,649,761	\$22,884,077	\$24,345,421	\$24,912,360
629.53%	659.24%	617.11%	638.36%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$7,487,975	\$8,650,555
Contributions in relation to the actuarially determined contributions	7,487,975	8,650,555
Contribution deficiency (excess)	\$0	\$0
Covered payroll	\$22,033,138	\$21,649,761
Contributions as a percentage of covered payroll	33.99%	39.96%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	14 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

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

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$10,512,716	\$10,740,724	\$12,240,356	\$13,839,941
10,512,716	10,740,724	12,240,356	13,839,941
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675
45.94%	44.12%	49.13%	55.69%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

# CITY OF HAYWARD

## SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS AGENT MULTIPLE EMPLOYER PLAN Last 10 fiscal years\*

Measurement Date	6/30/17	6/30/18	6/30/19
<b>Total OPEB Liability</b>			
Service cost	\$4,646,537	\$4,054,275	\$4,121,478
Interest	3,528,286	4,015,577	4,186,619
Changes in benefit terms			
Differences between expected and actual experience			2,686,781
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)
<b>Net change in total OPEB liability</b>	<b>(7,478,529)</b>	<b>2,864,889</b>	<b>(26,135,923)</b>
<b>Total OPEB liability - beginning</b>	<b>118,316,704</b>	<b>110,838,175</b>	<b>113,703,064</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$110,838,175</b>	<b>\$113,703,064</b>	<b>\$87,567,141</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188
Contributions - employee			377,793
Net investment income	396,755	318,308	455,417
Administrative expense	(2,014)	(2,234)	(1,348)
Other expense		(5,491)	
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)
<b>Net change in plan fiduciary net position</b>	<b>394,741</b>	<b>1,310,583</b>	<b>2,831,862</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,755,234</b>	<b>4,149,975</b>	<b>5,460,558</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$4,149,975</b>	<b>\$5,460,558</b>	<b>\$8,292,420</b>
 Net OPEB liability - ending (a)-(b)	 <b>\$106,688,200</b>	 <b>\$108,242,506</b>	 <b>\$79,274,721</b>
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.74%	 4.80%	 9.47%
 Covered-employee payroll	 <b>\$97,007,987</b>	 <b>\$100,785,694</b>	 <b>\$104,434,054</b>
 Net OPEB liability as a percentage of covered-employee payroll	 <b>109.98%</b>	 <b>107.40%</b>	 <b>75.91%</b>

**Notes to schedule:**

\* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation Report



# CITY OF HAYWARD

## SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS AGENT MULTIPLE EMPLOYER PLAN

Last 10 fiscal years\*

Fiscal Year Ended June 30,	2018	2019	2020
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174
Contributions in relation to the actuarially determined contribution	5,190,672	6,374,161	7,455,802
Contribution deficiency (excess)	\$2,847,355	\$2,020,306	(\$451,628)
Covered employee payroll	\$100,785,694	\$104,434,054	\$92,915,000
Contributions as a percentage of covered payroll	5.15%	6.10%	8.02%

### Notes to Schedule

#### Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2017	6/30/2017	6/30/2019
Actuarial Assumptions:			
Discount Rate	3.56%	3.62%	6.90%
Inflation	3.00%	2.75%	2.50%
Payroll Growth	3.25%	3.25%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008.		Mortality rates used were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.
Pre-Retirement Turnover	Must retire from CalPERS on or after age 65 with at least 10 years of service.		
Healthcare	5% to 6.5%	5% to 7.5%	4% to 5.4%

\* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation

CITY OF HAYWARD  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Adopted *	Adjusted *	Budgetary Basis*	Adjusted Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$56,949,310	\$56,949,310	\$58,431,804	\$1,482,494
Sales taxes	51,255,412	51,255,412	56,566,457	5,311,045
Utility user tax	18,135,000	18,135,000	16,065,943	(2,069,057)
Other tax	35,493,680	35,493,680	30,214,409	(5,279,271)
Licenses and permits	7,278,280	6,878,280	6,435,587	(442,693)
Fines and forfeitures	2,379,403	2,379,403	2,210,385	(169,018)
Investment and rental income	299,880	578,530	498,063	(80,467)
Intergovernmental	7,526,083	6,551,188	6,699,242	148,054
Fees and charges for services	6,287,693	6,287,693	6,413,143	125,450
Total Revenues	185,604,741	184,508,496	183,535,033	(973,463)
EXPENDITURES:				
Current:				
General government	9,290,611	15,607,323	14,607,161	1,000,162
Public safety	121,707,253	121,707,253	122,091,549	(384,296)
Public works and transportation	7,648,652	7,648,652	5,144,882	2,503,770
Library and community services	7,595,715	7,595,715	7,186,368	409,347
Planning and building	10,343,379	10,343,379	8,618,787	1,724,592
Maintenance services	8,619,962	8,619,962	8,858,729	(238,767)
Total Expenditures	165,205,572	171,522,284	166,507,476	5,014,808
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,399,169	12,986,212	17,027,557	4,041,345
OTHER FINANCING SOURCES (USES):				
Transfers in	3,841,046	3,841,046	2,691,046	(1,150,000)
Transfers (out)	(43,737,006)	(48,395,313)	(17,617,544)	30,777,769
Total Other Financing Sources (Uses)	(39,895,960)	(44,554,267)	(14,926,498)	29,627,769
NET CHANGE IN FUND BALANCE	<u>(\$19,496,791)</u>	<u>(\$31,568,055)</u>	2,101,059	<u>\$33,669,114</u>
BEGINNING FUND BALANCE			50,582,116	
ENDING FUND BALANCE			<u>\$52,683,175</u>	

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

CITY OF HAYWARD  
FEDERAL GRANTS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Investment income			\$48,587	\$48,587
Intergovernmental	\$420,000	\$829,628	723,438	(106,190)
Fees and charges for services	<u>10,000</u>	<u>10,000</u>	<u>13,868</u>	<u>3,868</u>
Total Revenues	<u>430,000</u>	<u>839,628</u>	<u>785,893</u>	<u>(53,735)</u>
EXPENDITURES:				
Current:				
Public safety		501,969	101,748	400,221
Public works and transportation	407,938	233,048	12,111	220,937
Library and community services		409,628	162,173	247,455
Economic development		<u>880,282</u>	<u>210,133</u>	<u>670,149</u>
Total Expenditures	<u>407,938</u>	<u>2,024,927</u>	<u>486,165</u>	<u>1,538,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,062</u>	<u>(1,185,299)</u>	<u>299,728</u>	<u>1,485,027</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		15,203	15,203	
Transfers out	<u>(96,000)</u>	<u>(96,000)</u>	<u>(96,000)</u>	
Total Other Financing Sources (Uses)	<u>(96,000)</u>	<u>(80,797)</u>	<u>(80,797)</u>	
NET CHANGE IN FUND BALANCE	<u>(\$73,938)</u>	<u>(\$1,266,096)</u>	218,931	<u>\$1,485,027</u>
BEGINNING FUND BALANCE			<u>14,559,546</u>	
ENDING FUND BALANCE			<u>\$14,778,477</u>	

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## **SUPPLEMENTAL INFORMATION**

CITY OF HAYWARD  
HOUSING AUTHORITY CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$40,000	\$40,000	\$251,239	\$211,239
Fees and charges for services			232	232
Other revenue			442,413	442,413
Total Revenues	40,000	40,000	693,884	653,884
EXPENDITURES:				
Current:				
Economic development	237,887	4,923,593	111,634	4,811,959
Total Expenditures	237,887	4,923,593	111,634	4,811,959
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(197,887)	(4,883,593)	582,250	(5,465,843)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(7,377)	(7,377)	(19,249)	(11,872)
Total Other Financing Sources (Uses)	(7,377)	(7,377)	(19,249)	(11,872)
NET CHANGE IN FUND BALANCE	(\$205,264)	(\$4,883,593)	563,001	\$5,446,594
BEGINNING FUND BALANCE			22,221,828	
ENDING FUND BALANCE			\$22,784,829	

CITY OF HAYWARD  
GENERAL CAPITAL PROJECTS CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Other taxes	\$730,000	\$730,000	\$977,814	\$247,814
Investment income	12,000	12,000	1,086,102	1,074,102
Intergovernmental	18,975,000	18,975,000	3,595,279	(15,379,721)
Other revenue	7,795,000	7,795,000	2,327,430	(5,467,570)
Total Revenues	<u>27,512,000</u>	<u>27,512,000</u>	<u>7,986,625</u>	<u>(19,525,375)</u>
EXPENDITURES:				
Current:				
Public works and transportation			97,450	(97,450)
Capital outlay	<u>57,903,001</u>	<u>106,822,908</u>	<u>12,231,411</u>	<u>94,591,497</u>
Total Expenditures	<u>57,903,001</u>	<u>106,822,908</u>	<u>12,328,861</u>	<u>94,494,047</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,391,001)</u>	<u>(79,310,908)</u>	<u>(4,342,236)</u>	<u>74,968,672</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		32,207,307	5,766,817	(26,440,490)
Total Other Financing Sources (Uses)		<u>32,207,307</u>	<u>5,766,817</u>	<u>(26,440,490)</u>
NET CHANGE IN FUND BALANCE	<u>(\$30,391,001)</u>	<u>(\$47,103,601)</u>	1,424,581	<u>\$48,528,182</u>
BEGINNING FUND BALANCE			<u>26,111,962</u>	
ENDING FUND BALANCE			<u>\$27,536,543</u>	

CITY OF HAYWARD  
ROUTE 238 CORRIDOR IMPROVEMENT CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$131,964	\$131,964
Rental income			126,857	126,857
Fees and charges for services			47,948	47,948
Other revenue		\$4,086,267	11,672,728	7,586,461
Total Revenues		4,086,267	11,979,497	7,893,230
EXPENDITURES:				
Capital outlay	\$335,000	30,634,574	15,093,646	15,540,928
Total Expenditures	335,000	30,634,574	15,093,646	15,540,928
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(335,000)	(26,548,307)	(3,114,149)	23,434,158
OTHER FINANCING SOURCES (USES):				
Transfers in		70,284		(70,284)
Transfers (out)		(199,284)	(129,000)	70,284
Total Other Financing Sources (Uses)		(129,000)	(129,000)	
NET CHANGE IN FUND BALANCE	(\$335,000)	(\$26,677,307)	(3,243,149)	\$23,434,158
BEGINNING FUND BALANCE			(5,969,846)	
ENDING FUND BALANCE			(\$9,212,995)	



## **COMBINING GENERAL FUND SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2020

	General Fund		
	General Purpose	Measure C District Sales Tax	Total
ASSETS:			
Cash and investments	\$16,728,742	\$18,902,286	\$35,631,028
Accounts receivable, net	2,168,196		2,168,196
Due from other governments	5,922,481	3,038,803	8,961,284
Due from other funds	16,469,998		16,469,998
Long-term loans to the Private Purpose Trust Fund	5,236,442		5,236,442
Deposits, parts, supplies and other	6,460		6,460
Total Assets	<u>\$46,532,319</u>	<u>\$21,941,089</u>	<u>\$68,473,408</u>
LIABILITIES:			
Accounts payable	\$2,968,728	\$3,718	\$2,972,446
Accrued liabilities	5,284,281	101,498	5,385,779
Advances from other funds	3,091,745		3,091,745
Refundable deposits	4,340,263		4,340,263
Total Liabilities	<u>15,685,017</u>	<u>105,216</u>	<u>15,790,233</u>
FUND BALANCES:			
Nonspendable	5,242,902		5,242,902
Assigned	256,170	21,835,873	22,092,043
Unassigned	25,348,230		25,348,230
Total Fund Balances	<u>30,847,302</u>	<u>21,835,873</u>	<u>52,683,175</u>
Total Liabilities and Fund Balances	<u>\$46,532,319</u>	<u>\$21,941,089</u>	<u>\$68,473,408</u>

CITY OF HAYWARD  
GENERAL FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund		
	General Fund	Measure C District Sales Tax	Total
REVENUES:			
Property taxes	\$58,431,804		\$58,431,804
Sales taxes	39,679,957	\$16,886,500	56,566,457
Utility users tax	16,065,943		16,065,943
Other taxes	30,214,409		30,214,409
Licenses and permits	6,435,587		6,435,587
Fines and forfeitures	2,210,385		2,210,385
Investment income	492,731		492,731
Rental income	5,332		5,332
Intergovernmental	6,699,242		6,699,242
Fees and charges for services	5,537,249		5,537,249
Other revenue	875,894		875,894
Total Revenues	166,648,533	16,886,500	183,535,033
EXPENDITURES:			
Current:			
General government	14,607,161		14,607,161
Public safety	118,994,236	3,097,313	122,091,549
Public works and transportation	5,144,882		5,144,882
Library and community services	7,186,368		7,186,368
Planning and building	8,618,787		8,618,787
Maintenance services	7,789,736	1,068,993	8,858,729
Total Expenditures	162,341,170	4,166,306	166,507,476
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,307,363	12,720,194	17,027,557
OTHER FINANCING SOURCES (USES):			
Transfers in	2,691,046		2,691,046
Transfers (out)	(13,027,834)	(4,589,710)	(17,617,544)
Total Other Financing Sources (Uses)	(10,336,788)	(4,589,710)	(14,926,498)
CHANGE IN FUND BALANCES	(6,029,425)	8,130,484	2,101,059
BEGINNING FUND BALANCES	36,876,727	13,705,389	50,582,116
ENDING FUND BALANCES	\$30,847,302	\$21,835,873	\$52,683,175

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Special Gasoline Tax Fund* – Accounts for revenue apportioned to the City from State collected gasoline taxes and expended for construction and maintenance of City streets.

*Community Development Block Grant Program Fund* – Accounts for monies received from the U.S. Department of Housing and Urban Development (“HUD”) and expended for development of jobs and suitable housing for low-income residents.

*Housing Mortgage Revenue Bonds Fund* – Accounts for fees paid by benefited developers of multifamily rental housing and used to reimburse City cost related to bond issuance and program monitoring.

*Park Dedication Ordinance Fund* – Accounts for park dedication fees applied to new construction and expended for acquisition of recreational land and construction of recreational facilities.

*Business Improvement Fund* – Accounts for fees imposed on businesses within the downtown business improvement district and expended on activities, which enhance the district as a shopping and business center.

*Donation Fund* – Accounts for miscellaneous donations expended for purposes agreed upon by the City and the donors.

*Recycling Fund* – Accounts for revenue received from County Measure D funds and grants used to support the City’s recycling program.

*Narcotics Asset Seizure Fund* – Accounts for funds received pursuant to federal and State narcotic and seizure laws used to support identified law enforcement activities.

*Park Maintenance District Fund* – Accounts for revenues from annual assessments of developers’ proportionate shares of the City’s costs for park maintenance in the areas of the developers’ projects and accounts for the actual park maintenance costs.

*Measure B Local Streets and Roads* – Accounts for proceeds of an additional one-half cent sales tax to be used to improve, repair and overlay city streets.

*Measure B Pedestrian Fund* – Accounts for revenue apportioned to the City from locally collected retail sales taxes and expended for pedestrian projects.

## **NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

*Measure B Paratransit Fund* – Accounts for the provision of taxi and van transportation for the elderly and the handicapped.

*Measure BB Fund* – Supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects. Accounts for the provision of taxi and van transportation for the elderly and handicapped. An additional 1% sales tax is collected to support this program.

*Measure F Fund* – Alameda County Vehicle Registration Fee was approved in November 2010. \$10 per year vehicle registration fee collection supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects.

*Local Grants Fund* – Accounts for grants not originating from the Federal Government and State of California.

*RRAA (SBI) Fund* – Accounts for revenue appropriated to the City from State of California collected gas taxes and expended for road maintenance and rehabilitation.

*Rental Housing Program Fund* – Accounts for transactions related to residential rent stabilization and tenant protection ordinance to mitigate displacement of Hayward residents.

## **DEBT SERVICE FUNDS**

*Certificates of Participation* – Accounts for transfers of revenue from the general and capital projects funds for payment of interest and principal on certificates of participation.

## **CAPITAL PROJECTS FUNDS**

*Traffic Signal Construction Fund* – Accounts for traffic signal fees paid by developers of residential housing and expended for installation of traffic signal equipment.

*Performance Deposits Fund* – Accounts for deposits belong to developer which will go through the entitle process for eligible expenses. Once projects completed City will either refund or bill developers for the difference.

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CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash and investments	\$1,403,317	\$16,415	\$276,085	\$13,201,623
Cash and investments with fiscal agents				
Accounts receivable, net				
Due from other governments	307,353			
Interest receivable				
Loans receivable		5,188,511	243,418	
Total Assets	<u>\$1,710,670</u>	<u>\$5,204,926</u>	<u>\$519,503</u>	<u>\$13,201,623</u>
LIABILITIES:				
Accounts payable	\$43,443	\$313,476	\$5,037	
Accrued liabilities		12,073	7,692	
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>43,443</u>	<u>325,549</u>	<u>12,729</u>	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants receivable				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	1,667,227			
Planning and building				\$13,201,623
Economic development		4,879,377	506,774	
Debt service				
Total Fund Balances	<u>1,667,227</u>	<u>4,879,377</u>	<u>506,774</u>	<u>13,201,623</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,710,670</u>	<u>\$5,204,926</u>	<u>\$519,503</u>	<u>\$13,201,623</u>



SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$46,612	\$720,119	\$3,518,867	\$477,710	\$3,446,445	\$4,210,012
1,210				6,741	424,908
		60,676 53,631			
<u>\$47,822</u>	<u>\$720,119</u>	<u>\$3,633,174</u>	<u>\$477,710</u>	<u>\$3,453,186</u>	<u>\$4,634,920</u>
	\$7,470 377	\$17,461 11,664		\$115,538	
			\$52,058		
	<u>7,847</u>	<u>29,125</u>	<u>52,058</u>	<u>115,538</u>	
<u>\$1,210</u>					
<u>1,210</u>					
			425,652		
46,612	712,272	3,604,049		3,337,648	\$4,634,920
<u>46,612</u>	<u>712,272</u>	<u>3,604,049</u>	<u>425,652</u>	<u>3,337,648</u>	<u>4,634,920</u>
<u>\$47,822</u>	<u>\$720,119</u>	<u>\$3,633,174</u>	<u>\$477,710</u>	<u>\$3,453,186</u>	<u>\$4,634,920</u>

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash and investments	\$903,711	\$1,628,207	\$8,757,314	\$877,148
Cash and investments with fiscal agents				
Accounts receivable, net		81,429		
Due from other governments	85,782	158,283	586,363	151,823
Interest receivable				
Loans receivable				
Total Assets	<u>\$989,493</u>	<u>\$1,867,919</u>	<u>\$9,343,677</u>	<u>\$1,028,971</u>
LIABILITIES:				
Accounts payable	\$25,563	\$424,303	\$475,445	\$53,391
Accrued liabilities		10,772		
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>25,563</u>	<u>435,075</u>	<u>475,445</u>	<u>53,391</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants receivable				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	963,930	1,432,844	8,868,232	975,580
Planning and building				
Economic development				
Debt service				
Total Fund Balances	<u>963,930</u>	<u>1,432,844</u>	<u>8,868,232</u>	<u>975,580</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$989,493</u>	<u>\$1,867,919</u>	<u>\$9,343,677</u>	<u>\$1,028,971</u>

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
Local Grants	RRAA (SB1)	Rental Housing Program	Certificates of Participation	Traffic Signal Construction	Performance Deposits	Total Nonmajor Governmental Funds
	\$2,783,100	\$162,441	\$7,253,890 22,449	\$795,677	\$338,983	\$50,817,676 22,449
\$15,120		186,168				283,927
267,696	198,819					2,187,768
						60,676
						5,485,560
<u>\$282,816</u>	<u>\$2,981,919</u>	<u>\$348,609</u>	<u>\$7,276,339</u>	<u>\$795,677</u>	<u>\$338,983</u>	<u>\$58,858,056</u>
\$30,126		\$25,965 9,149		\$5,173	\$2,572	\$1,542,391 54,299
196,001		186,168				196,001
5,000						243,226
					306,249	306,249
<u>231,127</u>		<u>221,282</u>		<u>5,173</u>	<u>308,821</u>	<u>2,342,166</u>
						1,210
						1,210
51,689	\$2,981,919	127,327	\$7,276,339	790,504	30,162	425,652 26,001,056 17,298,155 5,513,478 7,276,339
<u>51,689</u>	<u>2,981,919</u>	<u>127,327</u>	<u>7,276,339</u>	<u>790,504</u>	<u>30,162</u>	<u>56,514,680</u>
<u>\$282,816</u>	<u>\$2,981,919</u>	<u>\$348,609</u>	<u>\$7,276,339</u>	<u>\$795,677</u>	<u>\$338,983</u>	<u>\$58,858,056</u>

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$28,743	\$25,468	\$7,604	\$312,813
Rental income				
Intergovernmental	3,488,862	1,225,133		
Fees and charges for services				
Other	179,238	167,395	55,465	2,417,826
Total Revenues	3,696,843	1,417,996	63,069	2,730,639
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation		815,994		
Library and community services		77,590		
Economic development		428,151	405,215	
Maintenance services				
Capital outlay	1,420,495			
Debt service:				
Principal repayment				
Interest and fiscal charges				
Total Expenditures	1,420,495	1,321,735	405,215	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,276,348	96,261	(342,146)	2,730,639
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000			
Transfers (out)	(983,000)	(3,480)	(18,556)	
Total Other Financing Sources (Uses)	(968,000)	(3,480)	(18,556)	
NET CHANGE IN FUND BALANCES	1,308,348	92,781	(360,702)	2,730,639
BEGINNING FUND BALANCES	358,879	4,786,596	867,476	10,470,984
ENDING FUND BALANCES	\$1,667,227	\$4,879,377	\$506,774	\$13,201,623

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
		\$582,032			
\$1,558	\$17,568	93,705	\$12,439	\$1,297,894 78,747	\$94,378
		865,932			2,566,509
	78,154				
1,558	95,722	1,541,669	12,439	1,376,641	2,660,887
	107,038 26,227	748,616 305,363	23,157		
				981,296	1,083,867
	133,265	1,053,979	23,157	981,296	1,083,867
1,558	(37,543)	487,690	(10,718)	395,345	1,577,020
		(48,696)			
		(48,696)			
1,558	(37,543)	438,994	(10,718)	395,345	1,577,020
45,054	749,815	3,165,055	436,370	2,942,303	3,057,900
\$46,612	\$712,272	\$3,604,049	\$425,652	\$3,337,648	\$4,634,920
					(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$21,629	\$37,482	\$197,890	\$16,387
Rental income				
Intergovernmental	518,133	956,053	3,539,031	858,584
Fees and charges for services				
Other				
Total Revenues	539,762	993,535	3,736,921	874,971
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			3,260	1,133
Library and community services		975,718		
Economic development				
Maintenance services				
Capital outlay	1,036,326		1,812,265	484,005
Debt service:				
Principal repayment				
Interest and fiscal charges				
Total Expenditures	1,036,326	975,718	1,815,525	485,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(496,564)	17,817	1,921,396	389,833
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)		(51,487)		
Total Other Financing Sources (Uses)		(51,487)		
NET CHANGE IN FUND BALANCES	(496,564)	(33,670)	1,921,396	389,833
BEGINNING FUND BALANCES	1,460,494	1,466,514	6,946,836	585,747
ENDING FUND BALANCES	\$963,930	\$1,432,844	\$8,868,232	\$975,580

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		
Local Grants	RRAA (SB1)	Rental Housing Program	Certificates of Participation	Traffic Signal Construction	Performance Deposits	Total Nonmajor Governmental Funds
						\$582,032
						1,297,894
\$160	\$47,014	\$4,827	\$188,022	\$19,477	\$8,214	1,214,125
		544,108				544,108
1,110,718	2,790,237					17,919,192
120						120
58,995						2,957,073
<u>\$1,169,993</u>	<u>\$2,837,251</u>	<u>\$548,935</u>	<u>188,022</u>	<u>19,477</u>	<u>8,214</u>	<u>24,514,544</u>
825,130						955,325
	98					1,595,328
		421,608				1,358,671
						1,254,974
						981,296
334,839	746,288			228,262		7,146,347
			5,207,513			5,207,513
			3,007,504			3,007,504
<u>1,159,969</u>	<u>746,386</u>	<u>421,608</u>	<u>8,215,017</u>	<u>228,262</u>		<u>21,506,958</u>
10,024	2,090,865	127,327	(8,026,995)	(208,785)	8,214	3,007,586
			6,383,371	233,333		6,631,704
						(1,105,219)
			6,383,371	233,333		5,526,485
10,024	2,090,865	127,327	(1,643,624)	24,548	8,214	8,534,071
41,665	891,054		8,919,963	765,956	21,948	47,980,609
<u>\$51,689</u>	<u>\$2,981,919</u>	<u>\$127,327</u>	<u>\$7,276,339</u>	<u>\$790,504</u>	<u>\$30,162</u>	<u>\$56,514,680</u>

CITY OF HAYWARD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax			Community Development Block Grant		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$28,743	\$28,743		\$25,468	\$25,468
Intergovernmental		3,488,862	3,488,862	\$2,856,758	1,225,133	(1,631,625)
Fees and charges for services						
Other		179,238	179,238		167,395	167,395
Total Revenues		3,696,843	3,696,843	2,856,758	1,417,996	(1,438,762)
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation				3,277,711	815,994	2,461,717
Library and community services				1,549,462	77,590	1,471,872
Economic development					428,151	(428,151)
Maintenance services						
Capital outlay	\$3,577,688	1,420,495	2,157,193			
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	3,577,688	1,420,495	2,157,193	4,827,173	1,321,735	3,505,438
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,577,688)	2,276,348	5,854,036	(1,970,415)	96,261	2,066,676
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000	15,000				
Transfers (out)	(983,000)	(983,000)		(3,480)	(3,480)	
Total Other Financing Sources (Uses)	(968,000)	(968,000)		(3,480)	(3,480)	
NET CHANGE IN FUND BALANCES	<u>(\$4,545,688)</u>	1,308,348	<u>\$5,854,036</u>	<u>(\$1,973,895)</u>	92,781	<u>\$2,066,676</u>
BEGINNING FUND BALANCES		358,879			4,786,596	
ENDING FUND BALANCES		<u>\$1,667,227</u>			<u>\$4,879,377</u>	



SPECIAL REVENUE FUNDS

Housing Mortgage Revenue Bonds			Park Dedication Ordinance			Business Improvement		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$5,500	\$7,604	\$2,104		\$312,813	\$312,813		\$1,558	\$1,558
155,681	55,465	(100,216)	\$2,235,906	2,417,826	181,920			
161,181	63,069	(98,112)	2,235,906	2,730,639	494,733		1,558	1,558
415,010	405,215	9,795	2,638,816		2,638,816	\$96,000		96,000
415,010	405,215	9,795	2,638,816		2,638,816	96,000		96,000
(253,829)	(342,146)	(88,317)	(402,910)	2,730,639	3,133,549	(96,000)	1,558	97,558
(16,954)	(18,556)	(1,602)						
(16,954)	(18,556)	(1,602)						
<u>(\$270,783)</u>	<u>(360,702)</u>	<u>(\$89,919)</u>	<u>(\$402,910)</u>	2,730,639	<u>\$3,133,549</u>	<u>(\$96,000)</u>	1,558	<u>\$97,558</u>
	867,476			10,470,984			45,054	
	<u>\$506,774</u>			<u>\$13,201,623</u>			<u>\$46,612</u>	

(Continued)

CITY OF HAYWARD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$490,000	\$582,032	\$92,032
Special assessments						
Investment income		\$17,568	\$17,568	4,000	93,705	89,705
Intergovernmental				1,141,481	865,932	(275,549)
Fees and charges for services						
Other		78,154	78,154	402,500		(402,500)
Total Revenues		95,722	95,722	2,037,981	1,541,669	(496,312)
EXPENDITURES:						
Current:						
Public safety	\$443,001	107,038	335,963			
Public works and transportation	59,238	26,227	33,011	1,831,247	748,616	1,082,631
Library and community services				999,881	305,363	694,518
Economic development						
Maintenance services						
Capital outlay						
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	502,239	133,265	368,974	2,831,128	1,053,979	1,777,149
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(502,239)	(37,543)	464,696	(793,147)	487,690	1,280,837
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(48,696)	(48,696)	
Total Other Financing Sources (Uses)				(48,696)	(48,696)	
NET CHANGE IN FUND BALANCES	<u>(\$502,239)</u>	<u>(37,543)</u>	<u>\$464,696</u>	<u>(\$841,843)</u>	<u>438,994</u>	<u>\$1,280,837</u>
BEGINNING FUND BALANCES		749,815			3,165,055	
ENDING FUND BALANCES		<u>\$712,272</u>			<u>\$3,604,049</u>	

SPECIAL REVENUE FUNDS

Narcotics Asset Seizure			Park Maintenance District			Measure B Local Streets and Roads		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	\$12,439	\$12,439	\$1,231,101 17,133	\$1,297,894 78,747	\$66,793 61,614		\$94,378 2,566,509	\$94,378 2,566,509
	12,439	12,439	1,248,234	1,376,641	128,407		2,660,887	2,660,887
\$50,463	23,157	27,306						
			1,397,689	981,296	416,393	\$5,118,450	1,083,867	4,034,583
50,463	23,157	27,306	1,397,689	981,296	416,393	5,118,450	1,083,867	4,034,583
(50,463)	(10,718)	39,745	(149,455)	395,345	544,800	(5,118,450)	1,577,020	6,695,470
(\$50,463)	(10,718)	\$39,745	(\$149,455)	395,345	\$544,800	(\$5,118,450)	1,577,020	\$6,695,470
	436,370			2,942,303			3,057,900	
	\$425,652			\$3,337,648			\$4,634,920	

(Continued)

CITY OF HAYWARD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Measure B Pedestrian			Measure B Paratransit		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$21,507	\$21,507		\$37,482	\$37,482
Intergovernmental		518,255	518,255	\$887,745	956,053	68,308
Fees and charges for services						
Other				41,300		(41,300)
Total Revenues		539,762	539,762	929,045	993,535	64,490
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				2,169,190	975,718	1,193,472
Economic development						
Maintenance services						
Capital outlay	\$1,866,985	1,036,326	830,659			
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	1,866,985	1,036,326	830,659	2,169,190	975,718	1,193,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,866,985)	(496,564)	1,370,421	(1,240,145)	17,817	1,257,962
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(49,758)	(51,487)	(1,729)
Total Other Financing Sources (Uses)				(49,758)	(51,487)	(1,729)
NET CHANGE IN FUND BALANCES	<u>(\$1,866,985)</u>	<u>(496,564)</u>	<u>\$1,370,421</u>	<u>(\$1,289,903)</u>	<u>(33,670)</u>	<u>\$1,256,233</u>
BEGINNING FUND BALANCES		1,460,494			1,466,514	
ENDING FUND BALANCES		<u>\$963,930</u>			<u>\$1,432,844</u>	

SPECIAL REVENUE FUNDS

Measure BB			Measure F			Local Grants		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	\$197,890	\$197,890		\$16,387	\$16,387		\$160	\$160
\$743,504	3,539,031	2,795,527		858,584	858,584	\$1,864,711	1,110,718	(753,993)
							120	120
							58,995	58,995
743,504	3,736,921	2,993,417		874,971	874,971	1,864,711	1,169,993	(694,718)
	3,260	(3,260)		1,133	(1,133)	2,037,869	825,130	1,212,739
6,981,949	1,812,265	5,169,684	\$1,159,856	484,005	675,851		334,839	(334,839)
6,981,949	1,815,525	5,166,424	1,159,856	485,138	674,718	2,037,869	1,159,969	877,900
(6,238,445)	1,921,396	8,159,841	(1,159,856)	389,833	1,549,689	(173,158)	10,024	183,182
(\$6,238,445)	1,921,396	\$8,159,841	(\$1,159,856)	389,833	\$1,549,689	(\$173,158)	10,024	\$183,182
	6,946,836			585,747			41,665	
	\$8,868,232			\$975,580			\$51,689	

(Continued)

CITY OF HAYWARD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS				
	RRAA (SB1)			Rental Housing Program	
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Variance Positive (Negative)
REVENUES:					
Other taxes					
Special assessments					
Investment income		\$47,014	\$47,014		\$4,827
Intergovernmental		2,790,237	2,790,237		
Fees and charges for services					
Other				\$637,650	(93,542)
Total Revenues		2,837,251	2,837,251	637,650	(88,715)
EXPENDITURES:					
Current:					
Public safety					
Public works and transportation		98			
Library and community services					
Economic development				633,668	212,060
Maintenance services					
Capital outlay	\$3,503,932	746,288	2,757,644		
Debt Service					
Principal repayment					
Interest and fiscal charges					
Total Expenditures	3,503,932	746,386	2,757,644	633,668	212,060
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,503,932)	2,090,865	5,594,797	3,982	123,345
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers (out)					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	<u>(3,503,932)</u>	2,090,865	<u>\$5,594,797</u>	<u>\$3,982</u>	<u>\$123,345</u>
BEGINNING FUND BALANCES		891,054			
ENDING FUND BALANCES		<u>\$2,981,919</u>		<u>\$127,327</u>	

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS					
Certificates of Participation			Traffic Signal Construction			Performance Deposits		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$3,000	\$188,022	\$185,022		\$19,477	\$19,477		\$8,214	\$8,214
3,000	188,022	185,022		19,477	19,477		8,214	8,214
			\$952,314	228,262	724,052			
4,604,187	5,207,513	(603,326)						
3,614,091	3,007,504	606,587						
8,218,278	8,215,017	3,261	952,314	228,262	724,052			
(8,215,278)	(8,026,995)	188,283	(952,314)	(208,785)	743,529		8,214	8,214
8,217,979	6,383,371	(1,834,608)	350,000	233,333	(116,667)			
8,217,979	6,383,371	(1,834,608)	350,000	233,333	(116,667)			
\$2,701	(1,643,624)	(\$1,646,325)	(\$602,314)	24,548	\$626,862		8,214	\$8,214
	8,919,963			765,956			21,948	
	\$7,276,339			\$790,504			\$30,162	

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## **NON-MAJOR ENTERPRISE FUNDS**

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

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

*Recycling Fund* – Accounts for the transactions related to the City's recycling and waste reduction programs.

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF NET POSITION  
JUNE 30, 2020

	Stormwater	Airport	Recycling	Totals
Current Assets:				
Cash and investments	\$6,556,886	\$9,532,786	\$135,890	\$16,225,562
Accounts receivable, net	1,722,385	337,977		2,060,362
Due from other governments	16,912			16,912
Total Current Assets	8,296,183	9,870,763	135,890	18,302,836
Noncurrent Assets:				
Deposits, parts, supplies and other		17,225		17,225
Capital assets				
Land		244,302		244,302
Construction in progress		551,330		551,330
Depreciable capital assets, net	748	12,732,537		12,733,285
Total Noncurrent Assets	748	13,545,394		13,546,142
Total Assets	8,296,931	23,416,157	135,890	31,848,978
DEFERRED OUTFLOWS OF RESOURCES:				
Related to pensions	239,704	201,211		440,915
Related to OPEB	184,268	167,385		351,653
Total deferred outflows of resources	423,972	368,596		792,568
LIABILITIES:				
Current Liabilities:				
Accounts payable	8,587	39,915		48,502
Accrued interest		4,517		4,517
Accrued liabilities	53,890	42,692		96,582
Refundable deposits		109,339		109,339
Compensated absences - due within one year	70,887	75,248		146,135
Long term debt - due within one year		135,533		135,533
Total Current Liabilities	133,364	407,244		540,608
Noncurrent Liabilities:				
Compensated absences - due more than one year	22,388	23,765		46,153
Net pension liabilities	2,254,241	1,892,245		4,146,486
Net OPEB liabilities	1,033,889	1,071,652		2,105,541
Long term debt - due in more than one year		586,830		586,830
Total Noncurrent Liabilities	3,310,518	3,574,492		6,885,010
Total Liabilities	3,443,882	3,981,736		7,425,618
DEFERRED INFLOWS OF RESOURCES:				
Related to pensions	34,392	28,869		63,261
Related to OPEB	515,981	451,694		967,675
Total deferred inflows of resources	550,373	480,563		1,030,936
NET POSITION:				
Net investments in capital assets	748	12,805,806		12,806,554
Unrestricted	4,725,900	6,516,648	135,890	11,378,438
Total Net Position	\$4,726,648	\$19,322,454	\$135,890	\$24,184,992

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020

	Stormwater	Airport	Recycling	Total
OPERATING REVENUES:				
Charges for services	\$3,458,052	\$3,490,793		\$6,948,845
Miscellaneous	1,561,299	125,551		1,686,850
Total Operating Revenues	5,019,351	3,616,344		8,635,695
OPERATING EXPENSES:				
Salaries and related expenses	2,059,930	1,610,329	\$16,514	3,686,773
Materials, supplies and services	710,695	912,984		1,623,679
Repairs and maintenance	13,639	244,966		258,605
Depreciation	165	987,279		987,444
Total Operating Expenses	2,784,429	3,755,558	16,514	6,556,501
Operating Income (Loss)	2,234,922	(139,214)	(16,514)	2,079,194
NONOPERATING REVENUES (EXPENSES):				
Investment income	149,606	232,257	2,404	384,267
Net Nonoperating Revenues (Expenses)	149,606	232,257	2,404	384,267
Income (Loss) Before Contributions and Transfers	2,384,528	93,043	(14,110)	2,463,461
TRANSFERS				
Transfers in			150,000	150,000
Transfers (out)	(167,889)	(250,415)		(418,304)
Net Transfers	(167,889)	(250,415)	150,000	(268,304)
CHANGE IN NET POSITION	2,216,639	(157,372)	135,890	2,195,157
BEGINNING NET POSITION	2,510,009	19,479,826		21,989,835
ENDING NET POSITION	\$4,726,648	\$19,322,454	\$135,890	\$24,184,992

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	Stormwater	Airport	Recycling	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$3,440,852	\$3,578,433		\$7,019,285
Payments to suppliers	(762,014)	(1,177,161)		(1,939,175)
Payments to employees	(1,959,078)	(1,688,371)	(\$16,514)	(3,663,963)
Net Cash Flows From Operating Activities	719,760	712,901	(16,514)	1,416,147
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Transfers in			150,000	150,000
Transfers (out)	(167,889)	(250,415)		(418,304)
Net Cash Flows From Noncapital and Related Financing Activities	(167,889)	(250,415)	150,000	(268,304)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets		(159,608)		(159,608)
Principal payments on capital debt		(132,644)		(132,644)
Net Cash Flows From Capital and Related Financing Activities		(292,252)		(292,252)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	151,415	234,404	2,404	388,223
Net Cash Flows From Investing Activities	151,415	234,404	2,404	388,223
<b>NET CASH FLOWS</b>	703,286	404,638	135,890	1,243,814
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	5,853,600	9,128,148		14,981,748
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<u>\$6,556,886</u>	<u>\$9,532,786</u>	<u>\$135,890</u>	<u>\$16,225,562</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$2,234,922	(\$139,214)	(\$16,514)	\$2,079,194
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	165	987,279		987,444
Change in assets and liabilities:				
Receivables, net	(1,572,486)	(37,911)		(1,610,397)
Due from other governments	(6,013)			(6,013)
Accounts payable and other accrued expenses	(37,680)	(21,574)		(59,254)
Refundable deposits		2,363		2,363
Due to retirement system	179,452	(26,761)		152,691
Due to OPEB	(92,335)	(78,037)		(170,372)
Compensated absences	13,735	26,756		40,491
Net Cash Flows From Operating Activities	<u>\$719,760</u>	<u>\$712,901</u>	<u>(\$16,514)</u>	<u>\$1,416,147</u>

## INTERNAL SERVICE FUNDS

Internal service funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

*Workers' Compensation Insurance Fund* – Accounts for workers' compensation reimbursable costs.

*General Liability Fund* – Accounts for risk management expenses and self-insurance costs.

*Facilities Management Fund* – Accounts for operation, maintenance and replacement of City Hall and other city-owned buildings.

*Fleet Management Fund* – Accounts for operation, maintenance and replacement of vehicles.

*Technology Services Fund* – Accounts for operation, maintenance and replacement of Technology infrastructure and resources.

*Employee Benefits Fund* – Accounts for funding related to Other Post Employment Benefits (OPEB) and payments for the retiree medical stipends.

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET POSITION  
JUNE 30, 2020

	Workers' Compensation Insurance*	General Liability	Facilities Management
ASSETS:			
Current Assets:			
Cash and investments	\$23,495,028	\$5,209,589	\$809,176
Accounts receivable, net	192,794	1,694	6,371
Interest receivable	97,039		
Total Current Assets	<u>23,784,861</u>	<u>5,211,283</u>	<u>815,547</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			162,165
Depreciable capital assets, net			2,492,111
Total Noncurrent Assets		<u>27,021</u>	<u>3,027,024</u>
Total Assets	<u>23,784,861</u>	<u>5,238,304</u>	<u>3,842,571</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	75,235	64,737	209,959
Related to OPEB	55,718	51,101	150,439
Total deferred outflows of resources	<u>130,953</u>	<u>115,838</u>	<u>360,398</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	72,352	182,198	463,881
Accrued interest			61
Accrued liabilities*	15,457,356	5,355,223	46,895
Unearned revenue	3,800	1,694	3,136
Refundable deposits			7,051
Compensated absences	24,165	14,091	96,778
Long-term debt			93,308
Total Current Liabilities	<u>15,557,673</u>	<u>5,553,206</u>	<u>711,110</u>
Noncurrent Liabilities:			
Compensated absences	6,363	3,710	25,482
Net pension liabilities	707,534	608,808	1,974,516
Net OPEB liabilities	286,305	299,049	718,109
Long-term debt			
Total Noncurrent Liabilities	<u>1,000,202</u>	<u>911,567</u>	<u>2,718,107</u>
Total Liabilities	<u>16,557,875</u>	<u>6,464,773</u>	<u>3,429,217</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	10,795	9,288	30,124
Related to OPEB	159,400	141,508	437,432
Total deferred inflows of resources	<u>170,195</u>	<u>150,796</u>	<u>467,556</u>
NET POSITION:			
Net investments in capital assets			2,933,716
Restricted for debt service			
Unrestricted	7,187,744	(1,261,427)	(2,627,520)
Total Net Position	<u>\$7,187,744</u>	<u>(\$1,261,427)</u>	<u>\$306,196</u>

\* Accrued liabilities balance in Workers' Compensation Insurance fund includes the ultimate cost of all reported and unreported claims as required by GASB Standard number 10.

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$6,996,263	\$7,481,494	\$4,089,055	\$48,080,605
561,389	68,606		830,854
			97,039
<u>7,557,652</u>	<u>7,550,100</u>	<u>4,089,055</u>	<u>49,008,498</u>
			27,021
			372,748
176,992	816,358		1,155,515
15,633,868	1,649,955		19,775,934
<u>15,810,860</u>	<u>2,466,313</u>		<u>21,331,218</u>
23,368,512	10,016,413	4,089,055	70,339,716
<u>229,206</u>	<u>398,922</u>		<u>978,059</u>
161,831	287,048		706,137
<u>391,037</u>	<u>685,970</u>		<u>1,684,196</u>
114,380	1,342,844	7,273	2,182,928
7,411			7,472
45,105	93,304		20,997,883
365,370	2,499		376,499
			7,051
65,741	218,797		419,572
330,017			423,325
<u>928,024</u>	<u>1,657,444</u>	<u>7,273</u>	<u>24,414,730</u>
17,310	57,610		110,475
2,155,512	3,751,587		9,197,957
740,731	1,368,686		3,412,880
830,757			830,757
<u>3,744,310</u>	<u>5,177,883</u>		<u>13,552,069</u>
4,672,334	6,835,327	7,273	37,966,799
<u>32,886</u>	<u>57,233</u>		<u>140,326</u>
474,631	834,834		2,047,805
<u>507,517</u>	<u>892,067</u>		<u>2,188,131</u>
14,650,086	2,466,313		20,050,115
<u>3,929,612</u>	<u>508,676</u>	<u>4,081,782</u>	<u>11,818,867</u>
<u>\$18,579,698</u>	<u>\$2,974,989</u>	<u>\$4,081,782</u>	<u>\$31,868,982</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$8,207,499		\$4,149,508
Other		\$29,395	211,909
Total Operating Revenues	8,207,499	29,395	4,361,417
OPERATING EXPENSES			
Salaries and related expenses	834,763	917,692	2,065,149
Materials, supplies and services	509,627	3,110,293	1,734,245
Repairs and maintenance			1,157,021
Self-funded insurance expense	492,008	2,123,372	
Depreciation			119,670
Total Operating Expenses	1,836,398	6,151,357	5,076,085
Operating Income (Loss)	6,371,101	(6,121,962)	(714,668)
NONOPERATING REVENUES (EXPENSES)			
Investment income	545,899	100,099	19,895
Interest (expense)			(49,325)
Loss on disposal of capital assets			
Total Nonoperating Revenues (Expenses)	545,899	100,099	(29,430)
Income (Loss) Before Transfers	6,917,000	(6,021,863)	(744,098)
CONTRIBUTIONS AND TRANSFERS			
Transfers in		4,206,685	675,849
Transfers (out)	(13,919)		(36,656)
Net Contributions and Transfers	(13,919)	4,206,685	639,193
CHANGE IN NET POSITION	6,903,081	(1,815,178)	(104,905)
BEGINNING NET POSITION	284,663	553,751	411,101
ENDING NET POSITION	\$7,187,744	(\$1,261,427)	\$306,196



<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$8,357,478	\$8,045,589	\$3,491,864	\$32,251,938
86,369	581,746		909,419
8,443,847	8,627,335	3,491,864	33,161,357
1,789,578	2,246,126		7,853,308
831,876	2,830,020	779,303	9,795,364
947,157	1,247,690		3,351,868
	1,165	5,022,946	7,639,491
2,414,257	1,350,675		3,884,602
5,982,868	7,675,676	5,802,249	32,524,633
2,460,979	951,659	(2,310,385)	636,724
200,729	167,620	108,603	1,142,845
(41,932)			(91,257)
(114,568)			(114,568)
44,229	167,620	108,603	937,020
2,505,208	1,119,279	(2,201,782)	1,573,744
35,000	486,000	1,715,333	7,118,867
(64,170)	(87,867)		(202,612)
(29,170)	398,133	1,715,333	6,916,255
2,476,038	1,517,412	(486,449)	8,489,999
16,103,660	1,457,577	4,568,231	23,378,983
\$18,579,698	\$2,974,989	\$4,081,782	\$31,868,982

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2020

	Workers' Compensation Insurance	General Liability	Facilities Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$8,204,304	\$29,395	\$4,360,317
Payments to suppliers	(4,039,779)	(2,697,826)	(2,628,238)
Payments to employees	(642,656)	(800,155)	(1,640,436)
Cash Flows from Operating Activities	<u>3,521,869</u>	<u>(3,468,586)</u>	<u>91,643</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		4,206,685	675,849
Transfers out	(13,919)		(36,656)
Cash Flows from Noncapital Financing Activities	<u>(13,919)</u>	<u>4,206,685</u>	<u>639,193</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets			(174,952)
Proceeds from sale of capital assets			
Principal payments on capital debt			(670,057)
Interest paid on capital debt			(60,912)
Cash Flows from Capital and Related Financing Activities			<u>(905,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in fair values of investments			85,622
Investment income	454,922	101,451	20,167
Cash Flows from Investing Activities	<u>454,922</u>	<u>101,451</u>	<u>105,789</u>
Net increase (decrease) in cash and cash equivalents	3,962,872	839,550	(69,296)
Cash and cash equivalents at beginning of period	<u>19,532,156</u>	<u>4,370,039</u>	<u>878,472</u>
Cash and cash equivalents at end of period	<u><u>\$23,495,028</u></u>	<u><u>\$5,209,589</u></u>	<u><u>\$809,176</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$6,371,101	(\$6,121,962)	(\$714,668)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			119,670
Change in assets and liabilities:			
Receivables, net	(3,195)		(3,258)
Due from other governments			
Accounts and other payables	10,882	96,122	248,718
Due to retirement system	206,428	130,340	498,329
Due to OPEB	(29,080)	(25,062)	(80,935)
Compensated absences	14,759	12,259	7,319
Unearned revenue			2,158
Other accrued expenses	(3,049,026)	2,439,717	14,310
Cash Flows from Operating Activities	<u><u>\$3,521,869</u></u>	<u><u>(\$3,468,586)</u></u>	<u><u>\$91,643</u></u>

Fleet Management	Technology Services	Employee Benefits	Total
\$8,348,228	\$8,630,321	\$3,493,279	\$33,065,844
(2,158,380)	(3,083,228)	(5,802,249)	(20,409,700)
<u>(1,694,483)</u>	<u>(3,626,713)</u>		<u>(8,404,443)</u>
<u>4,495,365</u>	<u>1,920,380</u>	<u>(2,308,970)</u>	<u>4,251,701</u>
35,000	486,000	1,715,333	7,118,867
<u>(64,170)</u>	<u>(87,867)</u>		<u>(202,612)</u>
<u>(29,170)</u>	<u>398,133</u>	<u>1,715,333</u>	<u>6,916,255</u>
(2,674,005)	(772,753)		(3,621,710)
118,506			118,506
(433,786)			(1,103,843)
<u>(44,779)</u>			<u>(105,691)</u>
<u>(3,034,064)</u>	<u>(772,753)</u>		<u>(4,712,738)</u>
202,386	169,403	108,603	85,622
<u>202,386</u>	<u>169,403</u>	<u>108,603</u>	<u>1,056,932</u>
<u>202,386</u>	<u>169,403</u>	<u>108,603</u>	<u>1,142,554</u>
1,634,517	1,715,163	(485,034)	7,597,772
<u>5,361,746</u>	<u>5,766,331</u>	<u>4,574,089</u>	<u>40,482,833</u>
<u>\$6,996,263</u>	<u>\$7,481,494</u>	<u>\$4,089,055</u>	<u>\$48,080,605</u>
\$2,460,979	\$951,659	(\$2,310,385)	\$636,724
2,414,257	1,350,675		3,884,602
(453,918)	2,852	1,415	(456,104)
	134		134
(391,937)	965,514		929,299
157,946	(1,270,618)		(277,575)
(88,463)	(154,495)		(378,035)
25,612	44,526		104,475
358,299			360,457
<u>12,590</u>	<u>30,133</u>		<u>(552,276)</u>
<u>\$4,495,365</u>	<u>\$1,920,380</u>	<u>(\$2,308,970)</u>	<u>\$4,251,701</u>

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## **AGENCY FUNDS**

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

*Local Improvement Districts Fund* – Accounts for debt service activities for LIDs #14, #15, #16, #17 and Community Facilities District #1. The City has no commitment for the repayment of these Districts' debt.

*South Hayward Bart Parking District JPA* – Account for related revenues and expenditures related to the Joint Powers Authority agreement between the City and Bay Area Rapid Transit (BART) for the purpose of providing parking access around the South Hayward BART station.

*Other Agency Funds* – Accounts for activities of Hayward Coalition for Youth and the Hayward Friends of the Library Fund.

CITY OF HAYWARD  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Local Improvement Districts</b>				
<b>ASSETS:</b>				
Cash and investments	\$3,811,999	\$3,540,065	\$3,811,999	\$3,540,065
Cash and investments with fiscal agents	358,821	356,341	358,821	356,341
Accounts receivable	3,053			3,053
Interest receivable	1,179		1,179	
Due from other governments	336,324	138,739	336,324	138,739
Deposits, parts, supplies and other	201,524			201,524
Total Assets	<u>\$4,712,900</u>	<u>\$4,035,145</u>	<u>\$4,508,323</u>	<u>\$4,239,722</u>
<b>LIABILITIES:</b>				
Accounts payable	\$713	\$1,843	\$713	\$1,843
Due to bondholders	4,712,187	4,033,302	4,507,610	4,237,879
Total Liabilities	<u>\$4,712,900</u>	<u>\$4,035,145</u>	<u>\$4,508,323</u>	<u>\$4,239,722</u>
<b>South Hayward Bart Parking District JPA</b>				
<b>ASSETS:</b>				
Cash and investments	\$1,240,688	\$934,385	\$1,240,688	\$934,385
Accounts receivable	8,995	1,459	8,995	1,459
Interest receivable	383		383	
Total Assets	<u>\$1,250,066</u>	<u>\$935,844</u>	<u>\$1,250,066</u>	<u>\$935,844</u>
<b>LIABILITIES:</b>				
Due to others	<u>\$1,250,066</u>	<u>\$935,844</u>	<u>\$1,250,066</u>	<u>\$935,844</u>
Total Liabilities	<u>\$1,250,066</u>	<u>\$935,844</u>	<u>\$1,250,066</u>	<u>\$935,844</u>
<b>Other Agency Funds</b>				
<b>ASSETS:</b>				
Cash and investments	\$6,027,764	\$9,650,231	\$6,027,764	\$9,650,231
Interest receivable	1,865		1,865	
Due from other governments		12,000		12,000
Total Assets	<u>\$6,029,629</u>	<u>\$9,662,231</u>	<u>\$6,029,629</u>	<u>\$9,662,231</u>
<b>LIABILITIES:</b>				
Accounts payable	\$80,615	\$3,644		\$84,259
Refundable deposits	5,949,014	9,658,587	\$6,029,629	9,577,972
Total Liabilities	<u>\$6,029,629</u>	<u>\$9,662,231</u>	<u>\$6,029,629</u>	<u>\$9,662,231</u>
<b>Total</b>				
<b>ASSETS:</b>				
Cash and investments	\$11,080,451	\$14,124,681	\$11,080,451	\$14,124,681
Cash and investments with fiscal agents	358,821	356,341	358,821	356,341
Accounts receivable, net	12,048	1,459	8,995	4,512
Interest receivable	3,427		3,427	
Due from other governments	336,324	150,739	336,324	150,739
Deposits, parts, supplies and other	201,524			201,524
Total Assets	<u>\$11,992,595</u>	<u>\$14,633,220</u>	<u>\$11,788,018</u>	<u>\$14,837,797</u>
<b>LIABILITIES:</b>				
Accounts payable	\$81,328	\$5,487	\$713	\$86,102
Refundable deposits	5,949,014	9,658,587	6,029,629	9,577,972
Due to bondholders and others	5,962,253	4,969,146	5,757,676	5,173,723
Total Liabilities	<u>\$11,992,595</u>	<u>\$14,633,220</u>	<u>\$11,788,018</u>	<u>\$14,837,797</u>

## ***STATISTICAL SECTION***

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## STATISTICAL SECTION

The statistical section of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. This section provides a history of the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

### ***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage Wastewater Revenue Bonds
5. Bonded Debt Pledged Revenue Coverage, Tax Allocation Bonds

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

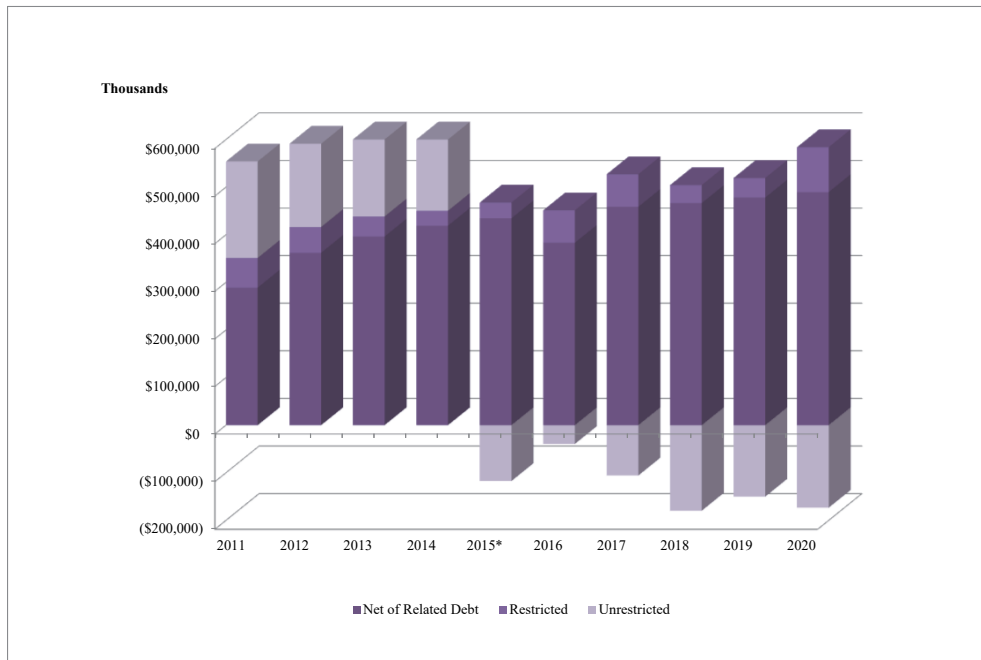
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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**CITY OF HAYWARD**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**



\* To comply with GASB 68 an adjustment was made to the City's total unrestricted net position, decreasing it by \$311,685,673 in FY 2015. The negative Net Position offsets the Net Pension Liabilities of \$284,150,333.

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015*	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$177,018,316	\$249,020,221	\$279,525,198	\$290,077,936	\$305,320,098	\$254,986,441	\$324,056,697	\$324,408,453	\$329,532,552	\$340,992,711
Restricted	62,458,594	54,205,450	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,077,986
Unrestricted	67,919,935	35,822,808	33,214,883	43,176,179	(257,512,639)	(195,715,585)	(266,000,254)	(327,597,600)	(322,106,063)	(373,531,268)
Total governmental activities net position	\$307,396,845	\$339,048,479	\$354,964,591	\$364,636,314	\$80,829,204	\$127,316,808	\$126,487,468	\$34,606,558	\$48,545,884	\$61,539,429
<b>Business-type activities</b>										
Net investment in capital assets	\$111,809,831	\$112,987,363	\$116,593,166	\$128,869,837	\$129,150,393	\$128,152,757	\$134,479,298	\$141,998,213	\$148,443,353	\$148,432,952
Restricted	0	0	0	0	0	0	0	0	0	284,001
Unrestricted	134,720,060	139,002,268	140,296,857	143,368,162	140,262,979	156,403,925	160,313,212	148,088,671	172,060,648	200,188,102
Total business-type activities net position	\$246,529,891	\$251,989,631	\$256,890,023	\$272,237,999	\$269,413,372	\$284,556,682	\$294,792,510	\$290,086,884	\$320,504,001	\$348,905,055
<b>Primary government</b>										
Net investment in capital assets	\$288,828,147	\$362,007,584	\$396,118,364	\$418,947,773	\$434,470,491	\$383,139,198	\$458,535,995	\$466,406,666	\$477,975,905	\$489,425,663
Restricted	62,458,594	54,205,450	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,361,987
Unrestricted	202,639,995	174,825,076	173,511,740	186,544,341	(117,249,660)	(39,311,660)	(105,687,042)	(179,508,929)	(150,045,415)	(173,343,166)
Total primary government net position	\$553,926,736	\$591,038,110	\$611,854,614	\$636,874,313	\$350,242,576	\$411,873,490	\$421,279,978	\$324,693,442	\$369,049,885	\$410,444,484

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

	Fiscal Year Ended June 30,			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$9,728,751	\$9,417,144	\$11,162,908	\$11,989,512
Public Safety	97,783,089	96,991,346	100,470,925	102,494,680
Public Works and Transportation	12,061,251	12,400,798	13,689,585	8,851,489
Library and Community Services	8,826,270	7,645,958	7,490,405	8,073,175
Economic Development	7,755,610	2,078,030	1,285,830	1,432,514
Planning and Building	5,878,086	5,642,610	6,102,300	6,293,037
Maintenance Services	4,028,800	4,030,146	3,896,951	4,790,594
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	4,486,345	3,685,703	2,056,984	1,131,490
Total Governmental Activities Expenses	<u>150,548,202</u>	<u>141,891,735</u>	<u>146,155,888</u>	<u>145,056,491</u>
Business-Type Activities:				
Sewer	19,395,928	17,977,438	19,127,813	17,443,979
Water	29,807,045	36,010,696	38,837,206	38,252,368
Airport	3,124,022	3,271,942	3,252,108	3,443,655
Centennial Hall Maintenance and Operation				
Stormwater	2,326,729	2,235,721	2,402,138	2,419,567
Recycling				
Total Business-Type Activities Expenses	<u>54,653,724</u>	<u>59,495,797</u>	<u>63,619,265</u>	<u>61,559,569</u>
Total Primary Government Expenses	<u><u>\$205,201,926</u></u>	<u><u>\$201,387,532</u></u>	<u><u>\$209,775,153</u></u>	<u><u>\$206,616,060</u></u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$1,019,505	\$2,162,950	\$2,505,144	\$3,348,209
Public Safety	8,608,854	8,139,780	3,308,573	3,332,950
Public Works and Transportation	744,992	4,382,791	3,780,364	4,121,654
Library and Community Services	90,947	110,465	95,682	85,256
Economic Development	121,677	77,251		2,749,344
Planning and Building	5,022,960	4,312,438	3,541,420	5,026,469
Maintenance Services	269,786	399,721	710,653	1,243,660
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	12,904,598	25,163,445	6,998,650	7,634,799
Capital Grants and Contributions	30,675,031	32,561,709	26,479,205	9,066,354
Total Government Activities Program Revenues	<u>59,458,350</u>	<u>77,310,550</u>	<u>47,419,691</u>	<u>36,608,695</u>

\* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.  
Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$16,245,827	\$14,192,819	\$16,158,933	\$36,743,529	\$26,842,761	\$30,267,967
106,541,527	118,423,530	128,069,028	136,621,829	130,098,500	128,620,640
12,295,579	14,414,107	25,599,837	24,077,319	26,136,150	22,129,650
5,150,554	9,047,644	7,056,242	10,673,935	10,026,345	10,983,659
835,342	1,762,937	152,175	1,480,505	2,177,009	2,565,850
6,831,521	7,281,726	8,628,739	11,093,298	10,688,978	10,662,520
5,798,009	6,156,886	8,288,824	11,482,643	11,993,462	12,156,273
1,400,778	1,490,140	3,078,848	3,238,555	2,863,705	2,784,563
155,099,137	172,769,788	197,032,626	235,411,613	220,826,910	220,171,122
19,967,350	23,757,316	22,755,149	19,762,825	22,065,651	20,147,930
36,953,171	38,253,454	46,225,355	52,084,024	46,827,858	47,714,898
3,489,917	3,976,602	6,348,333	4,236,680	4,045,984	3,755,558
2,373,574	3,042,678	2,450,088	2,817,649	2,793,121	2,784,429
					16,514
62,784,012	69,030,050	77,778,925	78,901,178	75,732,614	74,419,329
\$217,883,149	\$241,799,838	\$274,811,551	\$314,312,791	\$296,559,524	\$294,590,451
\$3,404,484	\$3,513,507	\$2,627,359	\$3,920,063	\$3,328,124	\$4,220,061
3,311,997	3,585,912	4,638,881	4,859,695	4,837,363	4,240,808
4,966,061	5,620,367	7,009,479	6,019,771	6,061,761	4,894,838
116,787	1,312,128	2,537,062	317,596	3,101,839	885,787
1,292,172					544,108
4,536,430	6,060,654	6,926,489	6,294,675	7,052,017	5,479,966
1,504,197	1,088,664	1,488,851	1,555,141	1,652,433	1,489,507
10,587,001	13,611,989	11,984,727	10,626,753	14,868,015	14,757,617
5,807,599	31,255,350	1,463,593	2,472,715	4,831,794	5,780,882
35,526,728	66,048,571	38,676,441	36,066,409	45,733,346	42,293,574

(Continued)

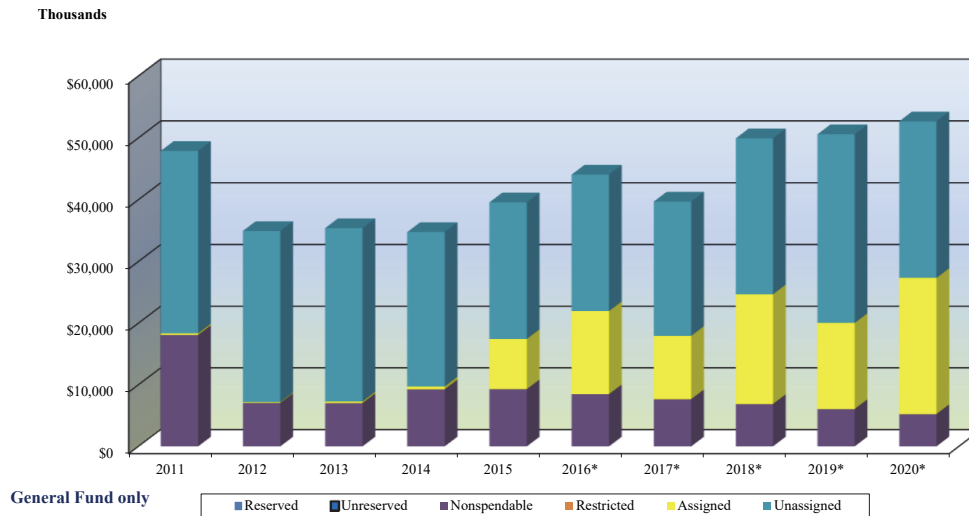
**CITY OF HAYWARD**  
**Changes in Net Position, (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Business-Type Activities:				
Charges for Services:				
Sewer	\$20,338,593	\$22,333,628	\$22,136,846	\$25,527,904
Water	31,684,462	38,463,759	43,128,089	47,045,822
Airport	2,790,998	2,917,614	2,963,971	3,365,514
Centennial Hall Maintenance & Operation				
Stormwater	2,724,244	2,738,050	2,821,653	2,777,228
Operating Grants and Contributions		119,629	88,916	
Capital Grants and Contributions	1,246,130			
Total Business-Type Activities Program Revenue	58,784,427	66,572,680	71,139,475	78,716,468
Total Primary Government Program Revenues	\$118,242,777	\$143,883,230	\$118,559,166	\$115,325,163
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$91,089,852)	(\$64,581,185)	(\$98,736,197)	(\$108,447,796)
Business-Type Activities	4,130,703	7,076,883	7,520,210	17,156,899
Total Primary Government Net Expense	(\$86,959,149)	(\$57,504,302)	(\$91,215,987)	(\$91,290,897)
Total Primary Government Net Expense from prior page	(\$86,959,149)	(\$57,504,302)	(\$91,215,987)	(\$91,290,897)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$35,725,966	\$35,715,527	\$39,297,973	\$39,456,863
Incremental Property Tax	10,351,054	4,721,491		
Special Assessments	714,017	817,210		
Sales Taxes	25,491,533	26,346,354	29,197,989	31,019,079
Utility Users Tax	14,699,792	14,796,979	14,939,639	15,761,544
Real Property Transfer Tax	3,821,387	4,777,989	4,595,640	4,878,857
Franchise Tax	9,091,479	9,891,601	9,687,980	9,488,631
Business Tax	2,389,657	2,483,442	2,548,248	2,649,279
Excise Tax	1,699,438	1,742,210	1,868,695	1,694,229
Other Taxes	1,683,087	944,268	5,820,346	6,748,616
Motor Vehicle in-lieu, Unrestricted	694,933	75,744	78,484	64,954
Investment Earnings	434,426	369,203	534,927	424,910
Gain (Loss) on Sale of Capital Assets		(9,687)		
Gain (Loss) on land held for resale				
Miscellaneous	1,505,212	685,054	3,192,697	3,473,568
Transfers (refer to CAFR Footnote 4)	2,141,488	2,167,125	2,889,691	2,458,989
Extraordinary Item (refer to CAFR Footnote 19)		(9,342,122)		
Total Governmental Activities General Revenues and Transfers	110,443,469	96,182,388	114,652,309	118,119,519
Business-Type Activities:				
Investment Earnings	841,733	549,982	269,873	650,066
Gain (Loss) from disposal of capital assets				
Loss on equity investment				
Miscellaneous				
Transfers (refer to CAFR Footnote 19)	(2,141,488)	(2,167,125)	(2,889,691)	(2,458,989)
Total Business-Type Activities General Revenues and Transfers	(1,299,755)	(1,617,143)	(2,619,818)	(1,808,923)
Total Primary Government General Revenues and Transfers	\$109,143,714	\$94,565,245	\$112,032,491	\$116,310,596
<b>Change in Net Position</b>				
Governmental Activities	\$19,353,617	\$31,601,203	\$15,916,112	\$9,671,723
Business-Type Activities	2,830,948	5,459,740	4,900,392	15,347,976
Total Primary Government	\$22,184,565	\$37,060,943	\$20,816,504	\$25,019,699

\* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.  
Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$28,389,311	\$33,557,099	\$27,000,318	\$26,374,872	\$37,064,893	\$30,078,797
44,704,910	46,264,199	53,565,672	59,385,204	61,614,956	61,951,757
2,995,362	3,239,400	4,161,002	3,426,086	3,611,746	3,616,344
2,832,703	2,894,801	3,066,075	3,165,846	3,328,818	5,019,351
		1,162,390			119,683
78,922,286	85,955,499	88,955,457	92,352,008	105,620,413	100,785,932
\$114,449,014	\$152,004,070	\$127,631,898	\$128,418,417	\$151,353,759	\$143,079,506
(\$119,572,409)	(\$106,721,218)	(\$158,356,185)	(\$199,345,204)	(\$175,093,564)	(\$177,877,548)
16,138,274	16,925,449	11,176,532	13,450,830	29,887,799	26,366,603
(\$103,434,135)	(\$89,795,769)	(\$147,179,653)	(\$185,894,374)	(\$145,205,765)	(\$151,510,945)
(\$103,434,135)	(\$89,795,769)	(\$147,179,653)	(\$185,894,374)	(\$145,205,765)	(\$151,510,945)
\$42,740,159	\$44,750,688	\$48,768,731	\$52,136,552	\$55,970,615	\$58,939,316
39,148,631	46,495,377	48,848,674	48,550,524	52,917,415	56,566,457
15,680,721	22,040,616	20,753,813	17,487,828	16,935,327	16,065,943
5,710,272	7,849,464	8,349,727	9,168,329	12,256,155	12,150,286
10,127,647	10,139,140	9,646,261	9,647,904	9,730,173	10,581,960
2,634,539	2,603,305	3,664,550	4,550,835	4,415,292	4,057,795
2,142,691	3,782,330	2,226,200	2,261,598	2,329,766	2,383,998
6,314,878	5,774,001	5,607,637	6,924,304	8,637,556	8,505,009
62,743	61,688	71,223	84,769	77,775	126,184
349,196	523,123	1,470,868	1,253,635	3,277,620	3,272,624
(352,880)	882,491	121,761	49,910		
				10,982,198	
2,996,956	5,505,290	5,130,121	5,514,057	7,837,732	15,167,508
2,618,309	2,801,309	2,861,623	2,621,785	3,665,266	3,054,013
130,173,862	153,208,822	157,521,189	160,252,030	189,032,890	190,871,093
533,521	1,019,170	1,920,919	925,665	4,305,963	5,088,464
			135,712		
				(111,379)	
(2,618,309)	(2,801,309)	(2,861,623)	(2,621,785)	(3,665,266)	(3,054,013)
(2,084,788)	(1,782,139)	(940,704)	(1,560,408)	529,318	2,034,451
\$128,089,074	\$151,426,683	\$156,580,485	\$158,691,622	\$189,562,208	\$192,905,544
\$10,601,453	\$46,487,604	(\$834,996)	(\$39,093,174)	\$13,939,326	\$12,993,545
14,053,486	15,143,310	10,235,828	11,890,422	30,417,117	28,401,054
\$24,654,939	\$61,630,914	\$9,400,832	(\$27,202,752)	\$44,356,443	\$41,394,599

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



	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016*	2017*	2018*	2019*	2020*
General Fund										
Reserved										
Unreserved										
Nonspendable	\$18,079,779 (b)	\$7,047,042	\$7,028,303	\$9,255,154	\$9,284,281	\$8,474,463	\$7,657,001	\$6,880,088	\$6,067,818	\$5,242,902
Restricted										
Assigned	256,170 (b)	133,571	256,170	459,100	8,150,187	13,485,813	10,276,759	17,794,142	13,959,459	22,092,043
Unassigned	29,550,120 (b)	27,763,993	28,115,304	25,052,543	22,134,362	22,098,817	21,767,997	25,248,062	30,554,839	25,348,230
Total General Fund (a)	<u>\$47,886,069</u>	<u>\$34,944,606</u>	<u>\$35,399,777</u>	<u>\$34,766,797</u>	<u>\$39,568,830</u>	<u>\$44,059,093</u>	<u>\$39,701,757</u>	<u>\$49,922,292</u>	<u>\$50,582,116</u>	<u>\$52,683,175</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Unreserved, reported in:										
Debt Service funds										
Special revenue funds										
Capital project funds										
Undesignated funds										
Nonspendable	\$68 (b)	\$68		\$2,239,029	\$234,029	\$293				
Restricted	36,094,240 (b)	48,807,530	\$22,811,952	19,827,871	33,488,600	68,772,861	\$76,555,491	\$76,190,135	\$84,761,983	\$94,077,986
Assigned	5,568,584 (b)	7,460,751	2,646,543	7,670,060		68,374,788	58,691,704	33,810,387	26,111,962	27,536,543
Unassigned	(5,102,162) (b)	77,273	(724,802)		(2,508,938)			(1,644,451)	(5,969,846)	(9,212,995)
Total all other governmental funds	<u>\$36,560,730</u>	<u>\$56,345,622</u>	<u>\$24,733,693</u>	<u>\$29,736,960</u>	<u>\$31,213,691</u>	<u>\$137,147,942</u>	<u>\$135,247,195</u>	<u>\$108,356,071</u>	<u>\$104,904,099</u>	<u>\$112,401,534</u>

\* General Fund includes balances related to the City's Measure C District Sales Tax

(a) The change in total fund balance for the General Fund and All Other Governmental Funds is explained in Management's Discussion and Analysis. The detail of Reserved and Designated Fund balance is explained in Note 9 of the financial statement footnotes.

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



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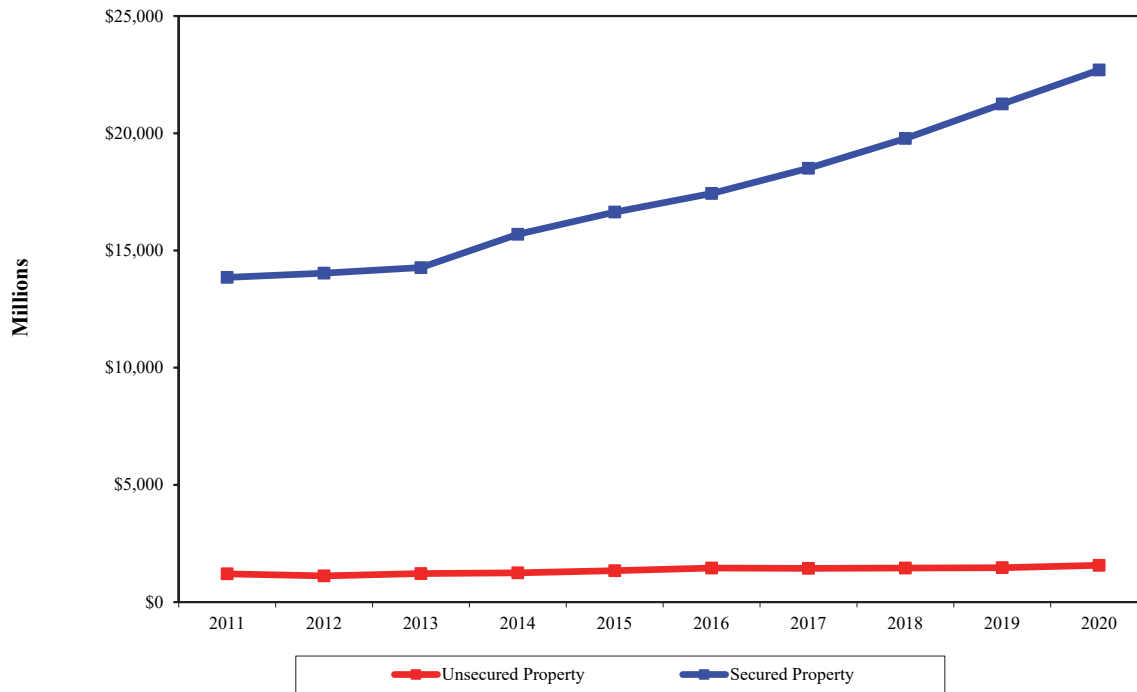
**CITY OF HAYWARD**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<b>Fiscal Years Ended June 30,</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Revenues</b>				
Property Taxes	\$35,725,967	\$35,715,527	\$39,180,750	\$38,971,067
Property Tax Increment	10,351,054	4,721,491		
Special Assessments	714,015	817,210	891,037	972,339
Sales Taxes	25,491,532	26,346,354	29,197,989	31,019,079
Utility Users Taxes	14,699,792	14,796,979	14,939,639	15,761,544
Other Taxes	18,729,085	20,748,138	20,630,166	21,310,770
Licenses and permits	3,259,291	3,177,816	3,605,753	4,078,392
Fines and forfeitures	2,756,632	2,951,068	2,938,106	2,285,486
Use of money and property	1,153,359	1,098,574	756,670	635,092
Intergovernmental revenues	36,952,595	55,173,561	28,617,999	33,839,482
Fees and charges for services	9,262,348	8,851,474	8,377,718	8,172,604
Reimbursement from Developer	1,064,680	344,375	109,677	252,910
Gain on Sale				
Other	7,787,702	6,565,952	1,934,141	2,402,380
<b>Total Revenues</b>	<b>167,948,052</b>	<b>181,308,519</b>	<b>151,179,645</b>	<b>159,701,145</b>
<b>Expenditures</b>				
Current:				
General government	7,930,669	8,034,218	9,841,308	10,551,378
Public safety	88,980,339	90,190,936	90,696,723	91,851,849
Public works and transportation	9,225,588	10,994,660	10,498,047	3,764,567
Library and community services	7,884,539	6,926,851	6,531,206	7,004,537
Economic development	5,622,527	4,396,669	1,847,619	2,017,787
Planning and building	5,562,298	5,346,481	5,806,741	5,981,108
Maintenance services	3,783,213	3,827,181	3,685,853	4,591,395
Nondepartmental				
Capital outlay	28,216,666	30,601,040	36,797,417	22,587,661
Debt service:				
Principal	3,071,058	1,751,366	1,854,870	2,216,033
Interest and fiscal charges	4,584,267	3,355,010	2,040,992	1,093,538
Bond issuance cost				
Pass-through payments	2,151,873	1,546		
<b>Total Expenditures</b>	<b>167,013,037</b>	<b>165,425,958</b>	<b>169,600,776</b>	<b>151,659,853</b>
Excess (deficiency) of revenues over (under) expenditures	<b>935,015</b>	<b>15,882,561</b>	<b>(18,421,131)</b>	<b>8,041,292</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	17,961			
Proceeds of refunding bonds (refer to CAFR Footnote 6)				
Premium on refunding bonds issued (refer to CAFR Footnote 6)				
Payment to refunded bond escrow agent (refer to CAFR Footnote 6)				
Proceeds from long term debt (refer to CAFR Footnote 6)	200,000			2,488,880
Contributions from assessment district				
Transfers in (refer to CAFR Footnote 4)	35,397,325	14,518,727	11,304,955	16,346,295
Transfers out (refer to CAFR Footnote 4)	(36,133,801)	(15,548,463)	(12,689,762)	(22,375,934)
<b>Total other financing sources (uses)</b>	<b>(518,515)</b>	<b>(1,029,736)</b>	<b>(1,384,807)</b>	<b>(3,540,759)</b>
Extraordinary Item (Refer to CAFR Footnote 19)		(8,009,396)		
<b>Net Change in fund balances</b>	<b>\$416,500</b>	<b>\$6,843,429</b>	<b>(\$19,805,938)</b>	<b>\$4,500,533</b>
Debt service as a percentage of noncapital expenditures	5.9%	3.9%	3.0%	2.6%

Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Years Ended June 30,					
2015	2016	2017	2018	2019	2020
\$42,128,306	\$44,159,430	\$47,195,566	\$51,235,946	\$54,467,978	\$58,431,804
980,329	1,166,399	1,026,071	1,003,388	1,059,378	1,297,894
39,148,631	46,495,377	48,848,674	48,550,524	52,917,415	56,566,457
15,680,721	22,040,616	20,753,813	17,487,828	16,935,327	16,065,943
23,424,572	26,554,046	27,518,428	28,116,819	32,658,149	31,774,255
5,031,300	6,316,823	7,766,510	7,091,074	7,814,026	6,435,587
2,549,034	2,341,565	2,499,964	2,487,183	2,670,298	2,210,385
357,388	561,895	1,746,291	1,644,775	3,473,471	3,901,043
22,647,381	37,101,458	28,403,369	23,151,743	28,991,082	28,937,153
7,639,834	9,885,890	5,889,181	7,360,450	7,373,160	5,585,549
				10,982,198	
5,002,806	7,909,582	11,082,590	6,084,935	10,689,323	18,289,406
164,590,302	204,533,081	202,730,457	194,214,665	230,031,805	229,495,476
13,702,855	12,675,974	13,182,512	14,309,144	15,335,579	14,607,161
96,719,824	105,164,624	110,461,347	110,621,648	118,169,989	123,148,622
6,623,943	3,850,989	4,001,258	3,772,501	8,850,429	6,849,771
6,748,325	8,371,078	6,678,908	7,638,673	7,722,543	8,707,212
763,285	1,984,194	56,797	81,274	1,512,567	1,576,741
6,495,171	7,382,233	8,497,395	8,372,228	9,229,204	8,618,787
5,581,077	6,279,365	7,711,268	7,720,401	9,973,511	9,840,025
30,819,943	39,864,835	48,972,280	47,870,707	30,812,391	21,303,837
2,156,489	2,397,381	2,561,048	2,676,156	5,013,353	5,207,513
1,158,708	1,055,901	3,303,835	3,321,225	3,190,198	3,007,504
	1,054,619	2,972			
170,769,620	190,081,193	205,429,620	206,383,957	209,809,764	202,867,173
(6,179,318)	14,451,888	(2,699,163)	(12,169,292)	20,222,041	26,628,303
	87,348,775				
	6,565,740				
	(20,455,936)				
5,500,000					
9,012,179	25,098,265	40,553,431	13,461,040	40,742,247	15,104,770
(12,188,316)	(27,899,357)	(44,118,007)	(17,962,337)	(48,967,406)	(18,967,012)
2,323,863	70,657,487	(3,564,576)	(4,501,297)	(8,225,159)	(3,862,242)
(\$3,855,455)	\$85,109,375	(\$6,263,739)	(\$16,670,589)	\$11,996,882	\$22,766,061
2.4%	2.4%	3.8%	3.8%	4.6%	4.6%

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



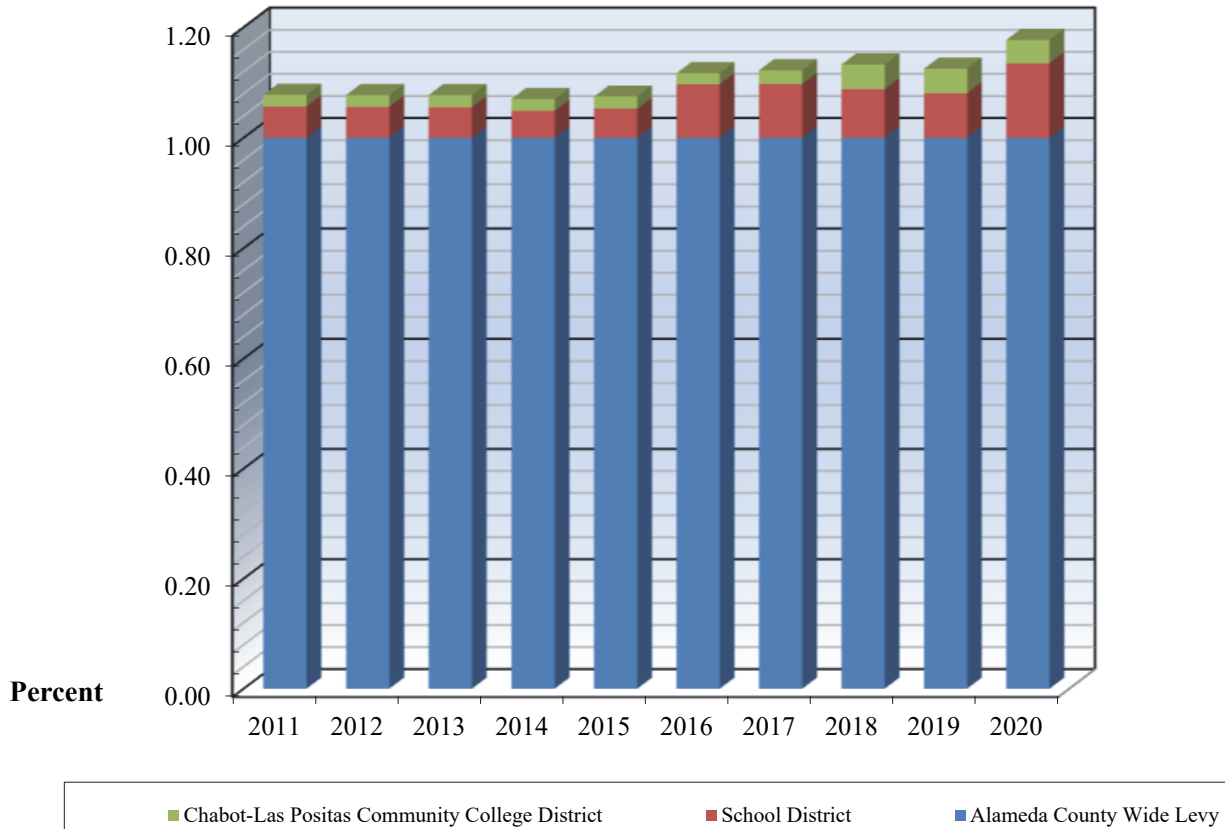
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed ( c )	Estimated Full Market ( a )	Direct Tax Rate ( b )
2011	\$13,852,339,086	\$1,206,621,783	\$15,058,960,869	\$15,058,960,869	1%
2012	14,031,375,627	1,119,664,498	15,151,040,125	15,151,040,125	1%
2013	14,269,516,867	1,219,715,968	15,489,232,835	15,489,232,835	1%
2014	15,692,946,952	1,249,273,320	16,942,220,272	16,942,220,272	1%
2015	16,639,488,990	1,340,155,668	17,979,644,658	17,979,644,658	1%
2016	17,432,403,170	1,452,793,040	18,885,196,210	18,885,196,210	1%
2017	18,505,587,803	1,439,106,697	19,944,694,500	19,944,694,500	1%
2018	19,779,304,369	1,454,651,151	21,233,955,520	21,233,955,520	1%
2019	21,249,763,958	1,469,205,980	22,718,969,938	22,718,969,938	1%
2020	22,702,279,301	1,570,761,064	24,273,040,365	24,273,040,365	1%

**NOTE:**

- ( a ) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- ( b ) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.
- ( c ) Total assessed represents gross amount of the total assessed valuation of the taxable property.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

**CITY OF HAYWARD  
PROPERTY TAX RATES  
ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**



<u>Fiscal Year</u>	<u>Alameda County Wide Levy</u>	<u>City of Hayward</u>	<u>Alameda County Go Bond</u>	<u>Hayward Unified School District</u>	<u>Chabot-Las Positas Community College District</u>	<u>Bay Area Rapid Transit (BART)</u>	<u>Hayward Area Rec &amp; Park</u>	<u>East Bay Regional Park</u>
2011	1.0000	0.0018	0.0000	0.0566	0.0211	0.0031		0.0084
2012	1.0000	0.0018	0.0000	0.0557	0.0214	0.0041		0.0071
2013	1.0000	0.0018	0.0000	0.0553	0.0219	0.0043		0.0051
2014	1.0000	0.0018	0.0000	0.0486	0.0214	0.0075		0.0078
2015	1.0000	0.0018	0.0000	0.0527	0.0217	0.0045		0.0085
2016	1.0000	0.0018	0.0000	0.0970	0.0198	0.0026		0.0067
2017	1.0000	0.0018	0.0000	0.0974	0.0246	0.0080		0.0032
2018	1.0000	0.0018	0.0000	0.0881	0.0445	0.0084	0.0299	0.0021
2019	1.0000	0.0018	0.0112	0.0806	0.0443	0.0070	0.0300	0.0057
2020	1.0000	0.0018	0.0108	0.1350	0.0422	0.0120	0.0300	0.0060

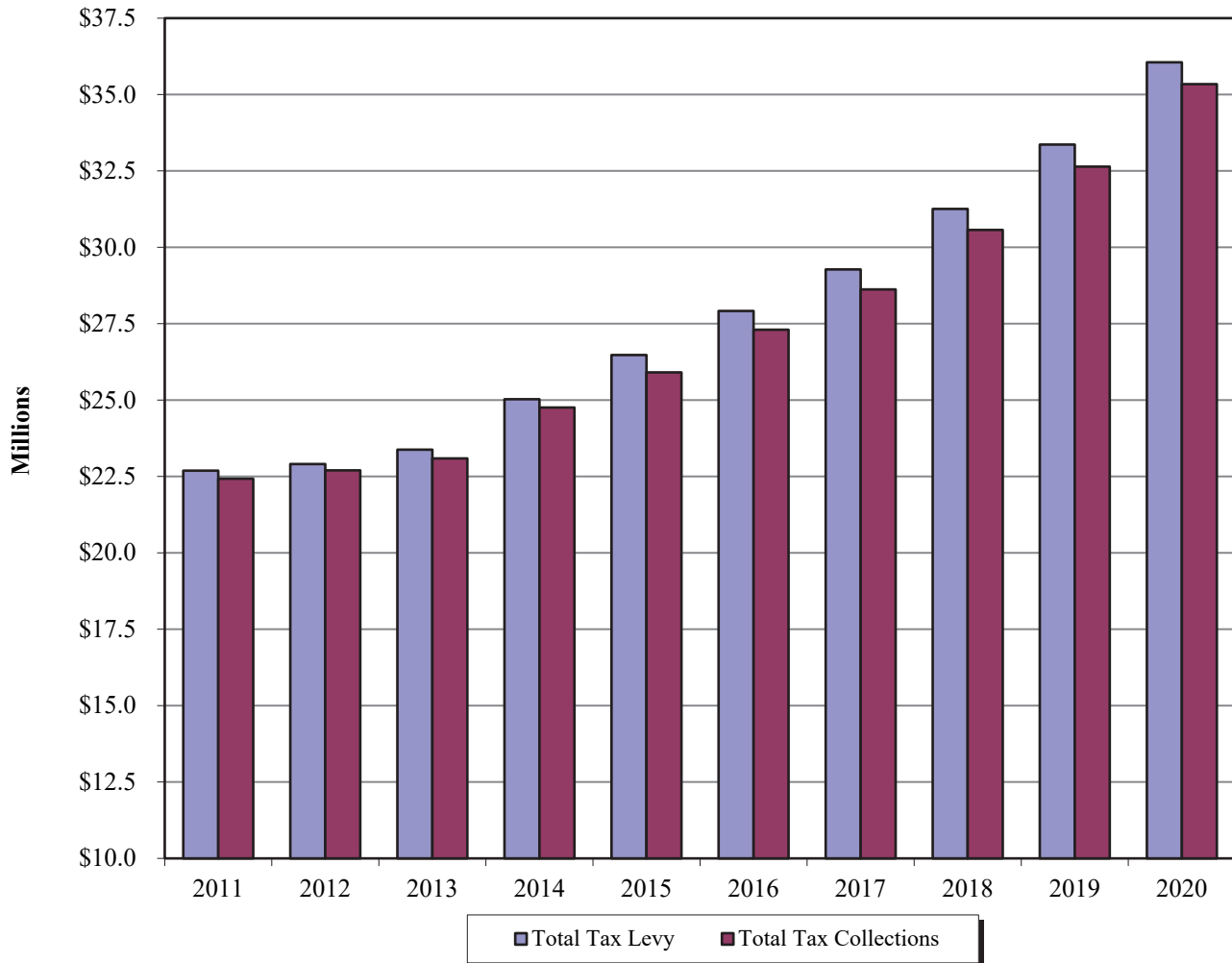
**City of Hayward**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

	FY 2020			FY 2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Employer						
PSB Northern Calif Industrial Portfolio LLC						
Russell City Energy Company, LLC	\$379,500,000	1	1.56%			
Southland Mall LP	242,419,154	2	1.00%	\$144,630,426	2	0.95%
PSB Northern Calif Industrial Portfolio LLC	216,869,067	3	0.89%			
Hayward 544 LLC	168,248,956	4	0.69%			
Hayward Point Eden I LP	109,220,598	5	0.45%	91,084,101	4	0.60%
ROC III CA Creekwood LLC	101,524,700	6	0.42%			
Hayward Industrial Park Associates	101,790,550	7	0.42%			
Rar2 Hayward 92 LLC	95,370,000	8	0.39%			
SCI Limited Partnership I	80,329,733	9	0.33%	79,539,747	5	0.52%
Bottling Group LLC	80,769,704	10	0.33%	70,132,390	7	0.46%
Northern Cal Industrial Portfolio				181,732,715	1	1.20%
Kohls Department Stores Inc						0.00%
Berkeley Farm Inc.				104,738,681	3	0.69%
North 3 Holding LLC				60,290,190	8	0.40%
First American Title Co						0.00%
Target Corporation				55,656,863	9	0.37%
Impax Laboratories Inc.				72,420,374	6	0.48%
Stonebrae LP				36,362,567	10	0.24%
Subtotal	\$1,576,042,462		6.49%	\$896,588,054		5.92%

Total Assessed Valuation:  
Fiscal Year 2019/2020 \$24,273,040,365  
Fiscal Year 2010/2011 15,151,040,125

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls

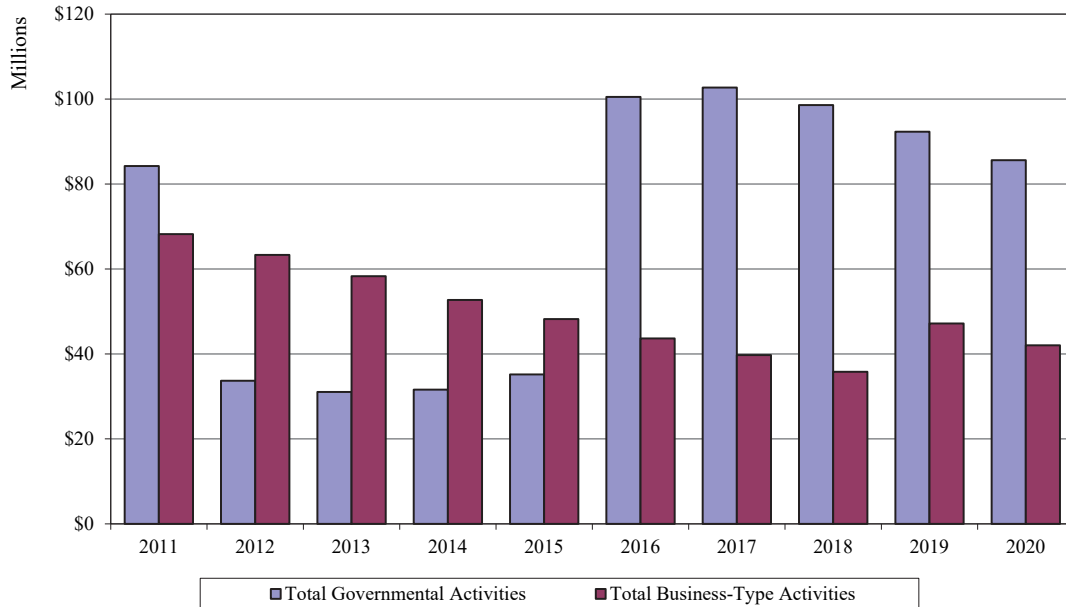
**CITY OF HAYWARD  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2011	\$22,689,887	\$21,518,638	94.84%	\$907,086	\$22,425,724	98.84%
2012	22,905,414	21,746,406	94.94%	952,781	22,699,187	99.10%
2013	23,375,741	22,340,018	95.57%	748,912	23,088,930	98.77%
2014	25,027,044	24,356,397	97.32%	399,535	24,755,932	98.92%
2015	26,474,019	25,522,217	96.40%	382,845	25,905,062	97.85%
2016	27,915,350	26,854,859	96.20%	446,987	27,301,846	97.80%
2017	29,275,215	28,172,161	96.23%	448,808	28,620,970	97.77%
2018	31,255,890	30,158,955	96.49%	410,565	30,569,520	97.80%
2019	33,360,474	32,234,964	96.63%	403,490	32,638,455	97.84%
2020	36,054,277	34,833,923	96.62%	505,412	35,339,334	98.02%

Source: Alameda County Assessor Office

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



Governmental Activities					
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	Total
2011	\$50,170,000	\$27,605,000	\$1,101,010	\$5,367,484	\$84,243,494
2012	0 (a)	26,095,000	740,240	6,846,579	33,681,819
2013	0 (a)	24,525,000	575,000	5,943,842	31,043,842
2014	0 (a)	22,895,000	3,003,880	5,699,806	31,598,686
2015	0 (a)	21,195,000	2,695,717	11,279,313	35,170,031
2016	0 (a)	87,348,775	2,371,338	10,787,079	100,507,193
2017	0 (a)	91,613,001	2,044,350	9,050,057	102,707,408
2018	0 (a)	89,212,869	1,709,786	7,661,734	98,584,389
2019	0 (a)	84,487,311	1,372,620	6,444,597	92,304,528
2020	0 (a)	79,584,001	1,028,478	5,001,566	85,614,045

Business-Type Activities					
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Government	Government Debt Per Capita (b)
2011	\$10,276,995	\$57,944,117	\$68,221,112	\$152,464,606	1,045.43
2012	9,277,380	54,047,154	63,324,534	97,006,353	659.40
2013	8,225,000	50,073,263	58,298,263	89,342,105	600.59
2014	6,570,000	46,137,248	52,707,248	84,305,934	558.18
2015	6,055,000	42,151,592	48,206,592	83,376,623	545.34
2016	5,525,000	38,116,304	43,641,304	144,148,497	906.68
2017	4,980,000	34,755,949	39,735,949	142,443,357	884.52
2018	4,420,000	31,370,520	35,790,520	134,374,909	829.32
2019	3,840,000	43,337,073	47,177,073	139,481,601	874.86
2020	3,245,000	38,786,145	42,031,145	127,645,190	796.23

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) Tax Allocation Bonds are reported under Redevelopment Successor Agency as Fiduciary Fund as Redevelopment Agency was dissolved on January 31, 2012 as per ABx1 26 and AB1484.

(b) Per Capita based on City population; refer to Demographic and Statistics Schedule for population data.

Source: City of Hayward  
State of California, Department of Finance (population)  
U.S. Dept of Commerce, Bureau of the Census (income)



**CITY OF HAYWARD**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

2019-20 Assessed Valuation:	\$ 23,805,439,230
Redevelopment Incremental Valuation:	(2,512,524,236)
Adjusted Assessed Valuation:	<u>\$ 21,292,914,994</u>

	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 6/30/2020	
<b><u>DIRECT DEBT:</u></b>				
City of Hayward General Fund Obligations	\$ 78,362,237	100.000%	<u>\$ 78,362,237</u>	<u>\$ 78,362,237</u>
<b>Total Direct Debt</b>				<b>\$ 78,362,237</b>
<b><u>OVERLAPPING DEBT:</u></b>				
Overlapping Tax and Assessment Debt:				
Alameda County	\$ 218,000,000	7.67%	\$ 16,720,600	
Bay Area Rapid Transit District	1,282,740,000	3%	37,943,449	
Chabot-Las Positas Community College District	626,920,000	18%	111,924,028	
Castro Valley Unified School District	127,305,000	0%	137,489	
Hayward Unified School District	557,888,940	86%	480,308,904	
New Haven Unified School District	254,924,413	14%	36,449,093	
Pleasanton Unified School District	149,420,000	0%	53,791	
San Lorenzo Unified School District	152,420,000	15%	23,266,913	
Washington Township Healthcare District	329,110,000	2%	6,216,888	
Hayward Area Recreation and Park District	108,510,000	56%	60,227,390	
East Bay Regional Park District	155,835,000	5%	7,350,737	
City of Hayward Community Facilities District No. 1	5,250,142	100%	5,250,142	
City of Hayward 1915 Act Bonds	130,000	100%	<u>130,000</u>	
Subtotal Overlapping Tax and Assessment Debt				\$ 785,979,424
Ratios to 2019-20 Assessed Valuation:				
Subtotal Overlapping Tax and Assessment Debt	3.69%			
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>				
Alameda County General Fund Obligations	\$ 830,130,000	7.670%	\$ 63,670,971	
Alameda County Pension Obligation Bonds	-		-	
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	9.101%	1,060,722	
Hayward Unified School District Certificates of Participation	14,875,201	86.094%	12,806,656	
San Lorenzo Unified School District Certificates of Participation	9,490,000	15.265%	1,448,649	
Castro Valley and Pleasanton Unified School District Certificates of Participation	4,930,000	0.108%	5,324	
Subtotal Overlapping General Fund Debt				\$ 78,992,321
<b><u>OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):</u></b>	\$ 52,460,000	7.391 & 100. %	<u>\$ 29,817,100</u>	<u>\$ 29,817,100</u>
<b>Total Overlapping Debt</b>				<b>\$ 894,788,845</b>
<b>Grand Total Direct and Overlapping Debt</b>				<b>\$ 973,151,082 <sup>(2)</sup></b>
<b>Combined Total Direct and Overlapping Debt</b>				<b>\$ 973,151,082 <sup>(2)</sup></b>
<b><u>Ratio to 2019-20 Assessed Valuation:</u></b>				
Combined Total Direct and Overlapping Tax and Assessment Debt	4.57%			

NOTE:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

**CITY OF HAYWARD**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**Last Ten Fiscal Years**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$24,273,040,365
-----------------------------------------------------------------	------------------

BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$3,640,956,055
--------------------------------------------	-----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$85,614,044
-------------------	--------------

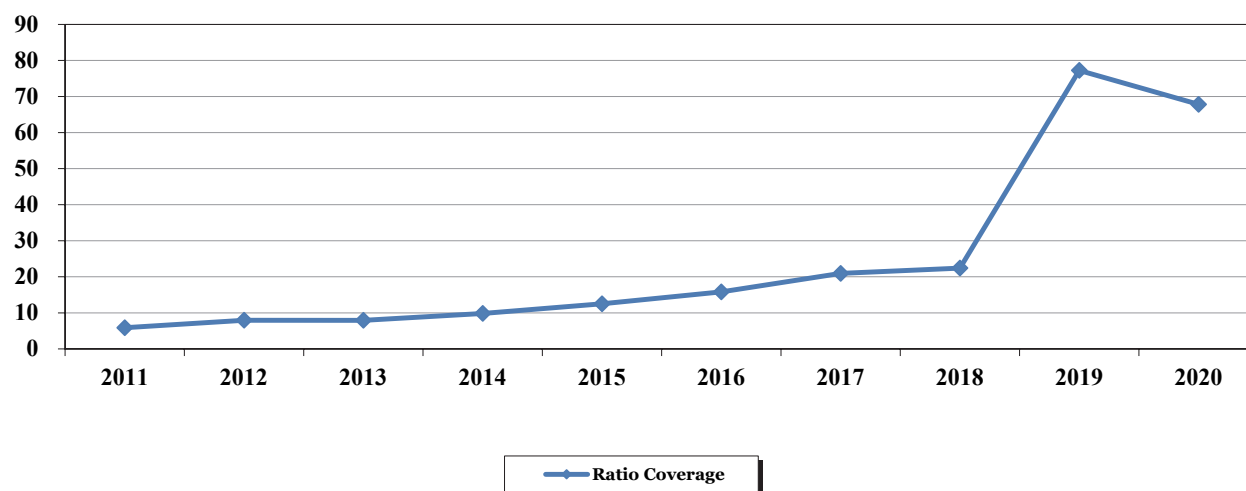
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	85,614,044
-------------------------------------------------------------------------------------------------------------	------------

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

LEGAL BONDED DEBT MARGIN	\$3,640,956,055
--------------------------	-----------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2011	\$2,272,656,019	0	\$2,272,656,019	0.00%
2012	2,323,384,925	0	2,323,384,925	0.00%
2013	2,541,333,041	0	2,541,333,041	0.00%
2014	2,541,333,041	0	2,541,333,041	0.00%
2015	2,696,946,699	0	2,696,946,699	0.00%
2016	2,832,779,432	0	2,832,779,432	0.00%
2017	2,991,704,175	0	2,991,704,175	0.00%
2018	3,185,093,328	0	3,185,093,328	0.00%
2019	3,407,845,491	0	3,407,845,491	0.00%
2020	3,640,956,055	0	3,640,956,055	0.00%

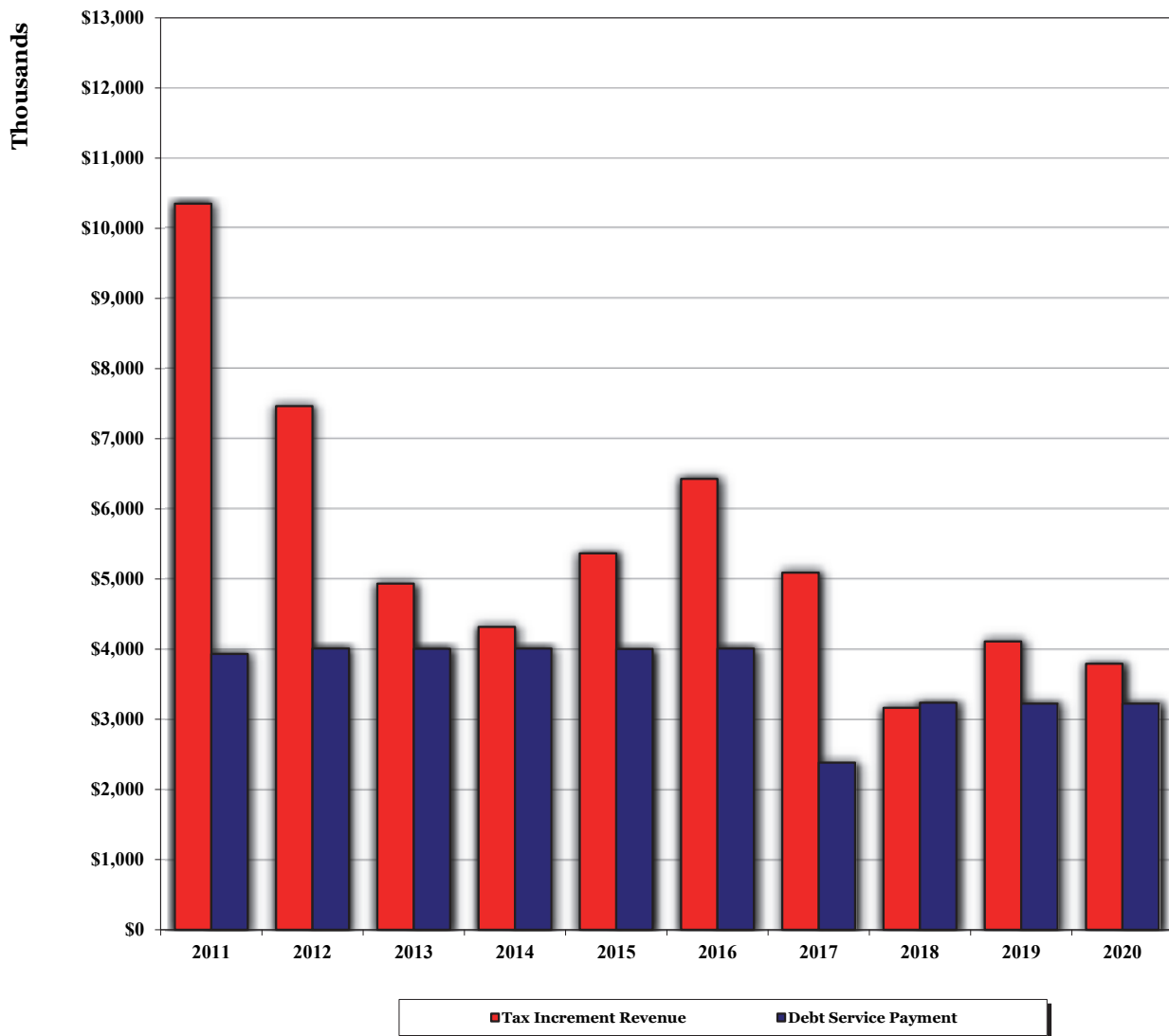
**CITY OF HAYWARD  
REVENUE BOND COVERAGE  
WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2011	\$52,765,158	\$41,042,710	\$11,722,448	\$1,370,000	\$628,288	\$1,998,288	5.87
2012	61,287,200	45,366,632	15,920,568	1,425,000	577,688	2,002,688	7.95
2013	65,512,421	49,506,563	16,005,858	1,490,000	527,831	2,017,831	7.93
2014	73,136,288	47,380,860	25,755,428	2,160,000	459,280	2,619,280	9.83
2015	73,564,675	49,566,818	23,997,857	1,615,000	302,938	1,917,938	12.51
2016	80,748,945	52,915,644	27,833,301	1,555,498	205,533	1,761,031	15.81
2017	82,325,821	60,602,745	21,723,076	886,781	151,341	1,038,122	20.93
2018	86,614,724	63,289,309	23,325,415	919,040	121,929	1,040,969	22.41
2019	102,636,863	60,860,754	41,776,109	450,133	90,738	540,871	77.24
2020	96,734,751	60,046,086	36,688,665	462,357	78,514	540,871	67.83

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue  
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest

**CITY OF HAYWARD**  
**BONDED DEBT PLEDGED REVENUE COVERAGE**  
**TAX ALLOCATION BONDS**  
**LAST TEN FISCAL YEARS**

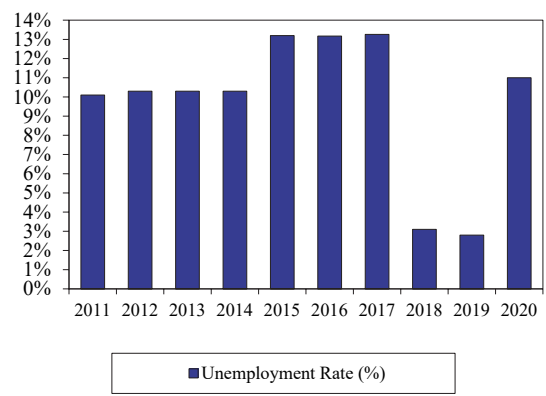
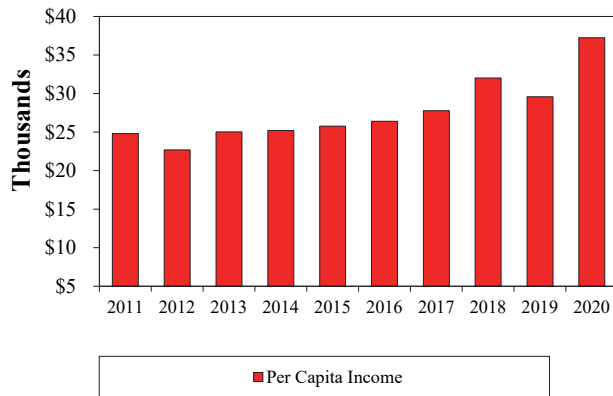
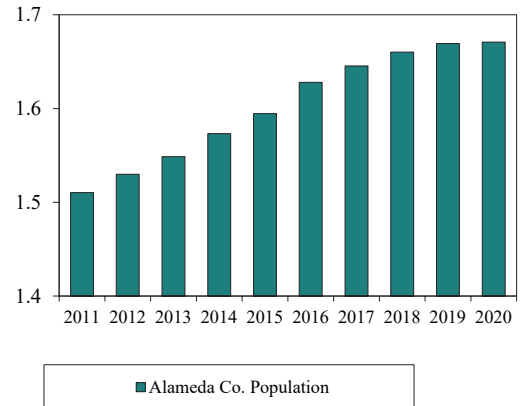
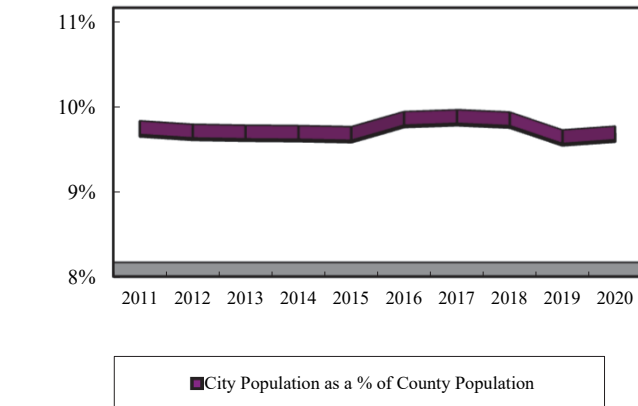


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$10,351,054	\$1,400,000	\$2,532,021	\$3,932,021	2.63
2012	7,465,404	1,540,000	2,469,022	4,009,022	1.86
2013	4,934,694	1,605,000	2,400,322	4,005,322	1.23
2014	4,317,292	1,680,000	2,328,657	4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	1.34
2016	6,427,560	1,835,000	2,173,931	4,008,931	1.60
2017	5,089,716	2,035,000	347,642	2,382,642	2.14
2018	3,163,863	1,685,000	1,550,975	3,235,975	0.98
2019	4,109,694	1,735,000	1,487,550	3,222,550	1.28
2020	3,791,673	1,805,000	1,417,450	3,222,450	1.18

# CITY OF HAYWARD

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS



Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
2011	145,839	\$24,803	10.1%	1,510,271	9.66%
2012	147,113	22,681	10.3%	1,529,875	9.62%
2013	148,756	25,019	10.3%	1,548,681	9.61%
2014	151,037	25,208	10.3%	1,573,254	9.60%
2015	152,889	25,770	13.2%	1,594,569	9.59%
2016	158,985	26,405	13.2%	1,627,865	9.77%
2017	161,040	27,774	13.3%	1,645,359	9.79%
2018	162,030	32,021	3.1%	1,660,202	9.76%
2019	159,433	29,583	2.8%	1,669,301	9.55%
2020	160,311	37,243	11.0%	1,670,834	9.59%

Sources: U.S. Census Bureau

State of California - Department of Finance, Office of The Director

State of California - Employment Development Department, Labor Market Information Division

**City of Hayward**  
**Principal Employers**  
**Current Year and Ten Years Ago**

<u>Employer</u>	<u>FY 2020</u>	<u>FY 2011</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*	2,000	2	1.4%
Baxter Bio Pharma	*			
Berkeley Farms, LLC	*			
California State University East Bay	*	1,500	4	1.0%
Chabot Community College	*	615	8	0.4%
Costco Warehouse	*			
Fremont Bank Operations Center	*			
Hayward Unified School District	*	1,981	3	1.4%
Illumina	*			
Inland Marine Industries, Inc.	*			
New Century Beverage (Pepsi)	*			
Maleko Personnel, Inc.	*			
Plastikon Industries, Inc.	*	400	11	0.3%
Gillig Corporation		700	7	0.5%
St. Rose Hospital		1065	5	0.7%
Kaiser Permanente Medical Center **		2,200	1	1.5%
City of Hayward		812	6	0.6%
Kobe Precision		450	10	0.3%
Subtotal		<u>11,723</u>		<u>8.0%</u>
Total City Population Using Census Data		<u>145,839</u>		

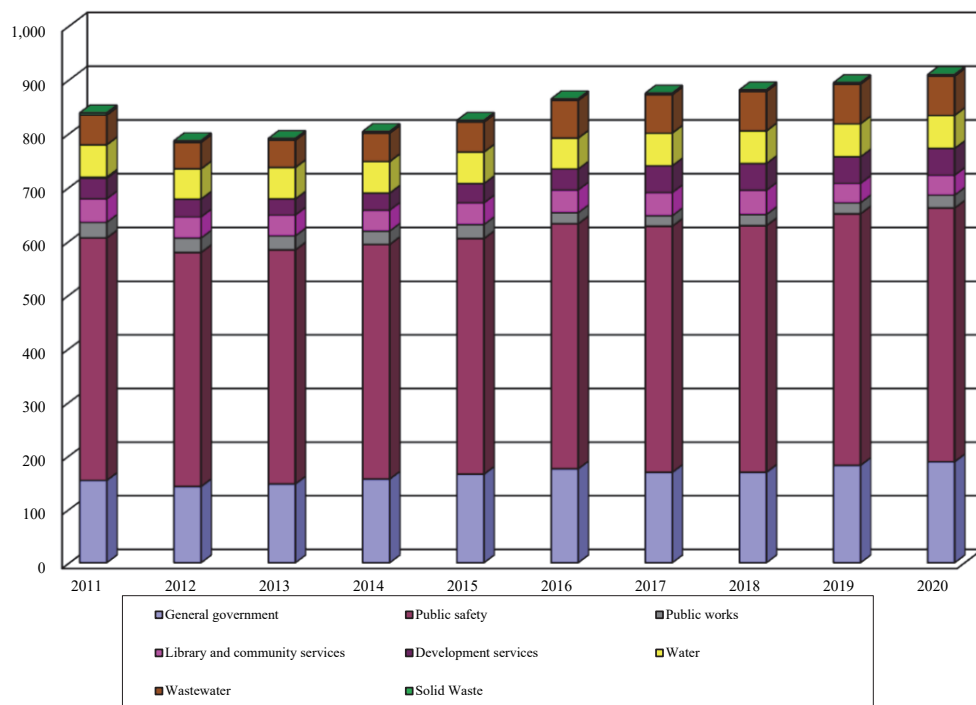
Source: City of Hayward Adopted Operating Budget FY20

Note: FY20 data not available for ranking or total employment.

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

\*\* Closed in November 2013

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function</b>										
General government	153.50	142.00	146.90	156.00	165.00	175.00	168.50	168.50	181.50	188.25
Public safety	452.20	436.50	436.50	437.50	439.50	457.00	459.00	460.00	469.00	473.00
Public works	29.00	27.00	26.10	25.00	26.00	20.50	19.56	20.71	20.56	24.00
Library and community services	43.45	39.10	38.55	38.55	40.20	42.20	42.80	44.80	35.80	36.80
Development services	38.50	33.25	30.00	32.00	36.00	39.00	50.00	50.00	49.50	50.00
Water	60.00	56.00	58.40	58.50	58.50	57.30	60.61	60.46	61.41	61.26
Wastewater	55.50	49.50	51.00	53.00	56.00	70.40	71.58	73.58	73.78	73.24
Solid Waste	4.00	3.00	3.00	3.00	3.00	2.80	2.75	2.75	2.75	2.75
<b>Total</b>	<b>836.15</b>	<b>786.35</b>	<b>790.45</b>	<b>803.55</b>	<b>824.20</b>	<b>864.20</b>	<b>874.80</b>	<b>880.80</b>	<b>894.30</b>	<b>909.30</b>

Source: City of Hayward Adopted Operating Budget

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

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

	2017	2018	2019	2020
<b>Function/Program</b>				
Public safety:				
Fire alarms	17,989	18,898	18,823	18,860
Police: (Uniform Crime Reporting Statistics)				
Property crime calls	4,925	4,967	4,749	5,462
Violent crime calls (a)	593	633	604	568
Arson calls	27	33	28	20
Public works				
Pavement Condition Index (PCI)*	68	69	70	69
*Industry measure of street condition with 100 ideal score				
Annual pavement improvement projects	14	13	10	10
Airport operations count/flights	108,680	112,962	106,447	90,048
Airport reported based aircraft	436	470	461	461
<b>Library and Community Services</b>				
Social Services Projects Funded	17	20	18	18
Facilities Projects Funded	4	2	2	1
Economic Development Projects Funded	3	2	3	2
New Housing/Rehab Projects Funded	1	18	2	2
Public Services Projects Funded	2	5	5	5
Measure B Projects Funded		7	8	8
Measure BB Projects Funded		1	0	0
Planning				
Active Subdivisions	32	45	41	40
Active Parcel Maps	5	7	7	11
Building Permits	4,882	4,934	5,107	4,501
Residential Rental Inspections	1,435	1,039	977	943
Library and neighborhood services				
Library Materials in Collection	161,708	166,100	164,396	204,416
Library Circulation (Items checked out)	824,788	654,989	159,806	395,758
Community Preservation Cases	3,501	2,771	2,917	2,522
Water				
Water service connections	35,600	36,327	37,526	38,236
Water main breaks	23	14	21	17
Average daily consumption (thousands of gallons)	12,870	14,458	14,046	13,962
Wastewater				
Sewer service connections	32,520	34,320	34,728	35,256
Average daily treatment (thousands of gallons)	11,810	11,480	11,574	10,717
Solid Waste				
Landfilled waste recycled and diversion rate*	70%	70%-75%	66%	66%
*Diversion rate beginning in calendar year 2000 and each year thereafter.				

(a) Excluded Simple assault calls, restated prior years.

Source: City of Hayward



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**CITY OF HAYWARD**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
<b>Function/Program</b>					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	121	118	115	127	118
Police stations	1	1	1	1	1
Number of police officers (c)	207	197	189	199	177
Public works					
Miles of streets	266	266	266	266	266
Street lights	8,143	8,143	8,143	8,161	8,178
Traffic Signals	133	134	135	135	134
Airport	1	1	1	1	1
Library and neighborhood services					
City Libraries	2	2	2	2	2
Water					
Number of consumers	140,000	140,000	140,000	150,000	150,000
Average daily consumption (gallons)	17,400,000	15,600,000	15,500,000	15,200,000	13,600,000
Miles of water mains	350	350	370	380	385
Storage capacity (gallons)	29,300,000	29,350,000	29,350,000	29,350,000	29,350,000
Wastewater					
Miles of sewers	320	320	320	325	325
Number of treatment plants	1	1	1	1	1
Treatment capacity (gallons)	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000

(a) Includes Fairview Fire District Station under contract

(b) Represents actual hired firefighters and officers which may be different than budgeted number of positions

(c) Represents actual hired police officers which may be different than budgeted number of positions

Sources: City of Hayward

**Fiscal Year Ended June 30,**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
9	9	9	9	9
118	114	129	124	122
1	1	1	1	1
186	194	176	178	181
283	283	283	283	283
8,273	8,288	8,238	8,327	8,327
134	136	143	146	146
1	1	1	1	1
2	2	2	2	2
150,000	155,000	160,500	159,500	159,203
12,255,000	12,870,000	14,650,000	14,046,000	13,962
385	385	385	391	391
29,350,000	30,550,000	30,550,000	25,350,000	31,250,000
325	325	325	321	321
1	1	1	1	1
18,500,000	18,500,000	18,500,000	18,400,000	18,500,000

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**HAYWARD**

Finance Department, 777 B Street, Hayward CA 94541

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[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

**CITY OF HAYWARD  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**CITY OF HAYWARD  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For The Year Ended June 30, 2020**

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## MEMORANDUM ON INTERNAL CONTROL

To the City Council of  
the City of Hayward, California

In planning and performing our audit of the basic financial statements of the City of Hayward as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, stylized font.

Pleasant Hill, California  
December 18, 2020

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## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### **NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We have cited them here to keep you informed of developments:

##### **EFFECTIVE FISCAL YEAR 2020/21:**

##### **GASB 84 – *Fiduciary Activities***

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### **GASB 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61***

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### EFFECTIVE FISCAL YEAR 2021/22:

##### **GASB 87 – Leases**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

##### **GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### **GASB 92 – Omnibus 2020**

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

##### **GASB 93 – Replacement of Interbank Offered Rates**

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.



## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### **GASB 93 – Replacement of Interbank Offered Rates (Continued)**

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

##### **GASB 97 – Certain Component Unit Criteria, and Accounting for and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans**

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

## CITY OF HAYWARD

### MEMORANDUM ON INTERNAL CONTROL

#### SCHEDULE OF OTHER MATTERS

##### **GASB 97 – Certain Component Unit Criteria, and Accounting for and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (Continued)**

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

##### ***How the Changes in this Statement will Improve Financial Reporting***

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all 457 plans.

## REQUIRED COMMUNICATIONS

To the City Council of  
the City of Hayward, California

We have audited the basic financial statements of the City of Hayward for the year ended June 30, 2020. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance.

### **Significant Audit Findings**

#### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

The following Governmental Accounting Standards Board (GASB) pronouncement became effective, but did not have a material effect on the financial statements.

#### **GASB 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance***

#### ***Unusual Transactions, Controversial or Emerging Areas***

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. However, events that occurred during fiscal year June 30, 2020 discussed below could have an impact on the financial statements:

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether shelter in place orders will be reinstated. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because some of the City's revenue sources, including businesses that collect sales taxes and parks and recreation fees, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

## ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

*Estimated Fair Value of Investments:* Cash and investments held by the City at June 30, 2020 were measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2020. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2020.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net Pension Assets and Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension assets and liabilities and deferred outflows/inflows of resources are disclosed in Note 12 to the financial statements and are based on actuarial studies determined by California Public Employees Retirement System and GASB 67/68 Pension Accounting Reports, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Net OPEB Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liability is disclosed in Note 14 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

## ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

## ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Except for adjustments on land held for resale and loans payable, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated December 18, 2020.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Information Accompanying the Financial Statements**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

\*\*\*\*\*

This information is intended solely for the use of City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
December 18, 2020



# CITY OF HAYWARD

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

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**File #:** CONS 21-008

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting the Fiscal Year 2021 Statement of Investment Policy and Delegation of Authority

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) reaffirming the updated Fiscal Year 2021 Statement of Investment Policy and Delegation of Authority.

**SUMMARY**

There was a recent change to California Government Code 53601 ("Code") that governs the investment of public funds. AB998 was chaptered on September 28, 2020 and took effect January 1, 2021. Staff recommends an update to the City's Statement of Investment Policy (the Policy) as the additional language included is meant to provide clarification on management assets in commercial paper and investments in securities issued or backed by the U.S. government that could result in a zero or negative interest accrual if held to maturity. Additional language from the Code revision and general modifications are included in the "Summary of Proposed Changes" (Attachment III) and the redline version of the Policy (Attachment IV).

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Summary of Proposed Changes
Attachment IV	FY 2021 Statement of Investment Policy



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** Adopt a Resolution Accepting the Fiscal Year 2021 Statement of Investment Policy and Delegation of Authority

### **RECOMMENDATION**

That the Council adopts a resolution (Attachment II) reaffirming the updated Fiscal Year 2021 Statement of Investment Policy and Delegation of Authority.

### **SUMMARY**

There was a recent change to California Government Code 53601 (“Code”) that governs the investment of public funds. AB998 was chaptered on September 28, 2020 and took effect January 1, 2021. Staff recommends an update to the City’s Statement of Investment Policy (the Policy) as the additional language included is meant to provide clarification on management assets in commercial paper and investments in securities issued or backed by the U.S. government that could result in a zero or negative interest accrual if held to maturity. Additional language from the code revision and general modifications are included in the “Summary of Proposed Changes” (Attachment III) and the redline version of the policy (Attachment IV).

### **BACKGROUND**

The City’s Statement of Investment Policy (the Policy) requires that staff submit to the City Council for approval any recommended changes to the Policy. In addition, the State statutes that govern investment activity require the City Council to annually affirm the Statement of Investment Policy and to annually confirm the delegation of investment authority, which in the City of Hayward, is to the Director of Finance.

### **DISCUSSION**

In coordination with PFM Asset Management (the City’s investment portfolio management consultant), Finance Department staff have reviewed the City’s Policy and recommend adjustments to those areas specified by PFM Asset Management. These changes have been reviewed by the Investment Advisory Committee and the Council Budget and Finance Committee and both bodies concur with the recommendations. The changes are summarized below and shown in a red-line version of the Policy (Attachment IV):



## Code 53601

Staff recommends that the City address two Code changes that were signed into law under Senate Bill (Moolach) – Local Government Investments (“SB 998”), which have taken effect as of January 1, 2021.

1. Allowing local agencies that have more than \$100 million of investment assets under management to invest up to 40% in commercial paper (existing limit is 25% for all agencies, other than a county or a city and county);
2. Allowing investment in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

The addition of these codes will allow the City to adhere to Policy requirements set forth by Senate Bill 998.

## General Modifications

### IX. Reporting

#### Section A.

Staff recommends removing language stating there is no legislative requirement for a monthly activity report, and specify Code Section 53607 now requiring agencies to publish a monthly report of transactions available to the legislative body.

### X. Investment Instruments

#### Section B.

Staff recommends updating the Investment Instrument Summary table to clearly reflect the percentage that may be invested in securities issued by federal agencies or government-sponsored enterprises (GSEs), and updating the investing percentage for federal agency mortgage-backed securities (MBS).

#### Section D.

Staff recommends updating the Investment Instrument Summary table and description to address changes in accordance with SB 998.

#### Section G.

Staff recommends the City keep the 5% limitation on commercial paper and medium-term notes. Issuer limitation language should be added to the medium-term note description, in accordance with SB 998.

Section I.

Staff recommends updating subdivision references in accordance with Code section 53601, which took effect January 1, 2021. This resulted in a change to language in Code Section 53601 (p).

X. Prohibited Investments

Changes made by SB 998 now allow public agencies to invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. While unlikely, PFM may need to buy a security that results in zero or negative interest accrual on behalf of the City. Staff feels it appropriate to have the option in case it is necessary.

A detailed overview of the proposed changes recommended by PFM can be seen in Attachment III "Summary of Proposed Changes."

**FISCAL IMPACT**

There is no fiscal impact related to approving the recommended change to the Policy.

**PUBLIC CONTACT**

The recommended changes to the Policy (Attachment IV) was discussed by the Investment Advisory Committee during its quarterly meeting on October 23, 2020 and presented to Council Budget and Finance Committee on November 18, 2020.

*Prepared and Recommended by:* Dustin Claussen, Director of Finance

Approved by:



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Kelly McAdoo, City Manager

**HAYWARD CITY COUNCIL**

**RESOLUTION NO. 21 - \_\_\_\_**

Introduced by Council Member

**RESOLUTION REAFFIRMING THE STATEMENT OF INVESTMENT POLICY AND  
RENEWING THE DELEGATION OF AUTHORITY TO MAKE INVESTMENTS TO  
THE DIRECTOR OF FINANCE**

WHEREAS, by Resolution No. 19-216, dated November 19, 2019, the City Council adopted a Statement of Investment Policy for the City of Hayward; and

WHEREAS, under section 53607 of the California Government Code, the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a periodic report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the FY 2021 Statement of Investment Policy is hereby reaffirmed as amended, and that the authority of the Director of Finance, or his or her designee, to make investments pursuant to the Policy is hereby renewed.

BE IT FURTHER RESOLVED that the Director of Finance and his/her successors in office is authorized to order the deposit or withdrawal of money in the accounts of the City of Hayward, the Public Financing Authority, the Successor Agency of the Redevelopment Agency of the City of Hayward, and the Housing Authority within the Local Agency Investment Fund of the State of California for the purpose of investment in accordance with the provisions of Section 16429.1 of the California Government Code; and further authorized to delegate responsibility for daily deposits or withdrawals of money in the above referenced accounts as required to ensure proper functioning of the fiscal operations of the City and these agencies.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_ 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



October 16, 2020

## Memorandum

To: Dustin Claussen, Director of Finance  
*City of Hayward*

From: Monique Spyke, Managing Director  
*PFM Asset Management LLC*

Re: Annual Investment Policy Review

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PFM has completed its Investment Policy (the “Policy”) review for the City of Hayward. The Policy is in compliance with the sections of California Government Code (“Code”) that govern the investment of public funds. This year, we are presenting proposed changes to the Policy under two main categories: (1) address recent Code changes that will go into effect on January 1, 2021, and (2) general recommended modifications. These proposed modifications are described in more detail below and in the attached redlined copy of the Policy.

### ***Address Code Changes***

On September 28, 2020, Governor Gavin Newsom signed into law Senate Bill 998 (Moorlach) – Local Government Investments (“SB 998”). SB 998, which is set to take effect on January 1, 2021 and shall be in effect until January 1, 2026, made a number of amendments to certain sections of the Code which govern the investment of public funds, including:

- Allowing local agencies that have more than \$100 million of investment assets under management to invest up to 40% in commercial paper (existing limit is 25% for all agencies, other than a county or a city and county);
- Allowing investment in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates;
- Establishing a 10% issuer limit on commercial paper and corporate notes for all agencies, other than a county or a city and county; and
- Adding permission for federally recognized Indian tribes to invest and participate in investment JPAs.

We recommend the City edit its Policy to address the first two items listed above.



## ***General Recommended Modifications***

### **IX. Reporting**

Code section 53607 states that public agencies shall make a monthly report of transactions to the legislative body. We recommend adding the reference to the Code section to the Policy's Monthly report subsection.

### **X. Investment Instruments**

In order to 1) increase consistency between the investment instrument summary table and the security descriptions listed below the table, 2) better align the Policy with Code, and 3) address SB 998, we are suggesting the following Policy changes.

**B. U.S. Agencies.** The Policy states that the City may invest up to 100% of the invested funds in securities issued by federal agencies or government-sponsored enterprises (GSEs), and that no more than 40% may be invested in any one federal agency or GSE issuer. Furthermore, the Policy says that no more than 20% may be invested in federal agency mortgage-backed securities (MBS). We are suggesting edits to the Policy's investment summary table so that it clearly reflects these requirements and limitations.

In addition, we have deleted the reference to Code 53601(o) in the Agency paragraph, as that section does not apply to agency MBS, but only to non-agency MBS and asset-backed securities.

**C. Commercial Paper.** The commercial paper reference in the table and description were modified to address changes made by SB 998.

**G. Medium-Term Notes.** SB 998 set a 10% limitation on the amount that can be invested in any one commercial paper and medium-term note issuer. While not required prior to SB 998, the City's Policy contains a 5% issuer limit on commercial paper and medium-term notes, as stated in the summary table. We recommend the City maintain its more stringent 5% limit and that the issuer limitation language be added to the medium-term note description, in accordance with SB 998.

**J. Other Investment Pools.** Effective January 1, 2020, and described below, paragraph (r) was added to Code section 53601. This resulted in a change to language in Code section 53601 (p), other investment pools and we addressed that change in our recommendations.



#### XI Prohibited Investments

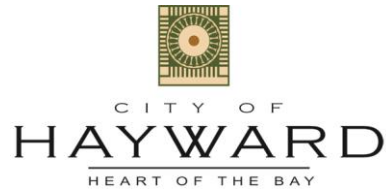
Changes made by SB 998 now allow public agencies to invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. While we hope we won't have to buy a security that results in zero or negative interest accrual on behalf of the City, we think it is appropriate to have the option in case it is necessary.

#### ***Informational Item***

Effective January 1, 2020, Assembly Bill No. 857, provides for the establishment of public banks by local agencies, subject to approval by the Department of Business Oversight (DBO) and Federal Deposit Insurance Corporation (FDIC). As a part of this bill, subsection (r) was added to Code section 53601, which permits local agencies to invest in the commercial paper, debt securities, or other obligations of such public banks.

We are not aware of any such public banks in existence currently and we would want to review the operational history and credit quality of any public bank before we could purchase or recommend the purchase of its securities. As such, we do not recommend that the City add obligations of these public banks to its listing of authorized investment investments at this time. We will continue to monitor any ongoing developments in this area, and if, at a later date, we feel it would be prudent for the City to add this investment type, we will make a formal recommendation at that time.

Please let us know if you have any questions and if you would like to discuss our recommendations further. Thank you.



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**FY ~~2020~~2021**

# **Statement of Investment Policy**

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Finance Department  
Director of Finance, Dustin Claussen  
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## I. Introduction

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Activities that comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program that coordinates working capital requirements and investment opportunities.

- A. Included** – Funds included in this Statement of Investment Policy are described in the City’s annual financial report, and include: General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds, Housing Finance Agency Funds, Successor Hayward Housing Authority funds, and Hayward Redevelopment Agency Successor Agency funds. The Statement of Investment Policy applies to all transactions involving the financial assets and related activity of the foregoing funds.
- B. Excluded** – The following funds are excluded from the Statement of Investment Policy: Deferred Compensation Fund assets and monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of the City, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements may be invested in accordance with the ordinance, resolution, indenture or agreement approved by the City Council which govern the issuance of those bonds, or lease installment sale, or other agreement, rather than this Statement of Investment Policy.

## II. Statement of Objectives

It is the policy of the City of Hayward to invest public funds not required for immediate day-to-day operations in safe and liquid investments with maturities under five years, in conformance with the California state statutes governing the investment of public funds. Investments are intended to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default.

In managing the City of Hayward's Investment Portfolio, the City's primary objectives are safety, liquidity, and yield.

1. **Safety** – Safety of principal is the foremost objective of the City, followed by liquidity and yield. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value.
2. **Liquidity** – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
3. **Yield** – The City may establish a performance benchmark based on current investment objectives and constraints. The investment portfolio shall be managed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's policy constraints and cash flow requirements. The City should not take undue risk to obtain above-market rates of return.
4. **Diversification** – The City's investment portfolio will be diversified to avoid concentrating investments in specific security types or in individual financial institutions.

While the City will not make investments for the purpose of trading or speculation as the dominant criterion, the Director of Finance shall seek to enhance total portfolio return by means of active portfolio management.

### III. Use of State Investment Guidelines

Government Code Sections 53601, 53607, and 53646 of the State of California regulate investment practices. It is the policy of the City of Hayward to use the State's provisions for local government investments as the base for developing and implementing the City's investment policies and practices.

### IV. Delegation of Authority

The responsibility for conducting the City's investment program is hereby delegated to the Director of Finance, who has established written procedures for the operation of the investment program, consistent with this Statement of Investment Policy. The Finance Director has further authority, with consent of the City Council, to engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's Statement of Investment Policy. Such managers must be registered under the Investment Advisors Act of 1940.

## **V. Investment Advisory Committee**

The City Manager will appoint an Investment Advisory Committee (IAC). The IAC shall, at minimum, consist of the Assistant City Manager, Director of Finance or Deputy Director of Finance, City Attorney or Assistant City Attorney, one department head, and a minimum of one non-City employee that possesses financial skills to be chosen by the City Manager as available.

The IAC shall meet at least quarterly for the purpose of overseeing the implementation of the City's investment program and assuring it is consistent with the Statement of Investment Policy as approved by the Council. The committee shall include in its discussions such topics as economic outlook, portfolio diversification and maturity structure, potential risks to the City's funds, approval of authorized financial institutions, and the performance of the investment portfolio. Written investment procedures must be approved by the IAC.

## **VI. Ethics and Conflict of Interest**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or impair their ability to make impartial decisions.

All members of the City's IAC shall annually file Statements of Economic Interests (SEIs or Form 700) with the California Fair Political Practices Commission.

## **VII. Investment Policy Adoption**

The City's Statement of Investment Policy shall be annually reviewed and approved by the Investment Advisory Committee and thereafter shall be reviewed and approved by the City Council at a public meeting.

## **VIII. Standard of Prudence**

All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Nevertheless, in a diversified portfolio, it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

The standard of prudence to be used by investment officials shall be the "prudent investor standard," which states:

*"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a*

*like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”*

Investment officers acting in accordance with written procedures and the Statement of Investment Policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

## IX. Reporting

The following investment activity reports will be completed.

### A. Monthly

~~While there is no legislative requirement for monthly investment activity reporting,~~ The Director of Finance shall post a monthly investment and transaction summary to the City's public website that will be available to the City Manager, Investment Advisory Committee, City Council Budget & Finance Committee, City Council, and the general public. Code section 53607 requires agencies to make a monthly report of transactions available to the legislative body.

The investment summary will list investment transactions executed during the month, and will report key aspects of the investment portfolio, including the following information about each investment instrument: issuer, par amount, purchase price, sales price, realized gains and losses, maturity dates, credit ratings, and the percentage of the portfolio by each type of investment.

### B. Periodic

While there is no legislative requirement for quarterly investment activity reporting, the Director of Finance shall submit periodic investment reports to the City Manager, Investment Advisory Committee, City Council Budget & Finance Committee, and City Council.

A periodic report shall include all components of the City's monthly report, highlight key aspects of information contained in the investment reports, and inform readers of economic conditions affecting the portfolio. The report will present recent investment performance and future investment strategy; disclose any perceived threats to portfolio quality, security or liquidity; compare the portfolio performance to that of the City's established performance benchmark, state compliance with the Investment Policy and include a statement denoting the ability to meet expenditure requirements for the next six months.

### C. Annual

While there is no legislative requirement for submission of an annual investment report, the Director of Finance shall present a comprehensive annual report on the investment program and investment activity no later than 180 days following the end of the fiscal year. This report shall be presented to the Investment Advisory Committee. The annual

report shall include a performance summary, shall suggest policies and improvements that might enhance the investment program, and include an investment plan for the ensuing fiscal year. In conjunction with its review of the annual investment report, the Investment Advisory Committee shall review and reaffirm the Statement of Investment Policy of the City, whether or not specific policy modifications are suggested.

Following the annual review of the Statement of Investment Policy by the Investment Advisory Committee, the Investment Policy shall be submitted to the City Council, together with any changes recommended by the Investment Advisory Committee. The City Council shall consider any such recommended changes and approve the Statement of Investment Policy at a public meeting of the City Council.

## X. Investment Instruments

A summary and description of authorized investment instruments is below.

INVESTMENT INSTRUMENT SUMMARY				
Security Type	Maximum Maturity	Min Credit Quality	Authorized Investment Limit	Per Issuer Limit
A. US Treasury Notes/Bills	5 Years	None	100%	100%
<del>AB.</del> US Agencies— <del>Fully Backed</del>	5 Years	None	100%	<del>100</del> <u>40</u> %
B. US Agencies— <del>Sponsored Mortgage-Backed</del>	5 Years	None	<del>100</del> <u>20</u> %	<del>40</del> <u>20</u> %
C. Banker's Acceptance (BA)	180 days	A-1	40%	5%
D. Commercial Paper	270 days	A-1	<del>25</del> <u>40</u> %	5%
E. Negotiable Certificates of Deposit	5 Years	"A"	30%	5%
F. Repurchase Agreements	1 Year	None	20%	20%
G. Medium Term Notes (MTN)	5 Years	"A"	30%	5%
H. Money Market Fund	N/A	AAAm	20%	10%
I. Alameda County Investment Pool	None	None	10%	10%
J. Shares of beneficial interest issued by a joint powers authority	None	AAAm	100%	N/A
K. LAIF	None	None	Max amount allowed by Advisory Board	N/A
L. Collateralized Certificates of Deposit	5 Years	None	25%	20%
M. Municipal Bonds	5 Years	"A"	20%	5%
N. Supranationals	5 Years	"AA"	30%	30%
O. Asset-Backed Securities	5 Yr WAL <sup>1</sup>	"AA"	20%	5%

<sup>1</sup> WAL - Weighted Average Life. See glossary for definition

The following sections describe individual investment types. The sections specify a percentage limitation for a particular category of investment. That percentage is applied on the date of purchase. A later increase in a percentage resulting from a change in values or assets shall not constitute a violation of the Policy restriction.

Unless stated otherwise in the Policy, no more than 5% of the City's portfolio may be invested in securities issued by any one issuer.

**A. United States Treasury Notes, Bonds, Bills, or Certificates of Indebtedness**, or those for which the faith and credit of the United States are pledged for the payment of principal and interest with a final maturity not exceeding five years from the date of trade settlement.

CA Govt Code 53601(b)

**B. Federal Agency or United States Government-Sponsored Enterprise (GSE) Obligations**, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies, or United States government-sponsored enterprises with a final maturity not exceeding five years from the date of trade settlement. There is no limit to the amount of the City's portfolio that may be invested in federal agency or GSE securities, except that the aggregate investment in federal agency mortgage-backed securities shall not exceed 20% of the City's total portfolio. Furthermore, the aggregate investment in any one federal agency or GSE issuer shall not exceed 40% of the City's total portfolio.

CA Govt Code 53601(f) ~~and CA Govt Code 53601(e)~~

**C. Banker's Acceptances**, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical-rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed 40% of the City's total portfolio.

CA Govt Code 53601(g)

**D. Prime Commercial Paper** with the highest letter and numerical rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

(1) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation;
- has total assets in excess of five hundred million dollars (\$500,000,000); and
- has debt other than commercial paper, if any, that is rated in a rating category of at least "A" or its equivalent by a NRSRO.

(2) The entity meets the following criteria:



- is organized within the United States as a special purpose corporation, trust, or limited liability company;
- has program wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or surety bond; and
- has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed ~~2540%~~ of the City's total portfolio. Furthermore, the City may invest no more than 5% of its total investment assets in the commercial paper and the medium-term notes of any single issuer. ~~may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.~~

CA Govt Code 53601(h)

- E. Negotiable Certificates of Deposit** issued by a nationally- or state-chartered bank, a savings association or a federal association as defined by Section 5102 of the California Financial Code, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank with a final maturity not exceeding five years from the date of trade settlement. Deposits are limited to institutions which have long-term debt rating in a rating category of at least "A" or the equivalent by a NRSRO. The aggregate investment in negotiable certificates of deposit shall not exceed 30% of the City's total portfolio.

CA Govt Code 53601(i)

- F. Repurchase Agreements** with a final termination date not exceeding 360 days from the date of trade settlement collateralized solely by United States Treasury, federal agency, or United States government sponsored enterprises permitted by this Statement of Investment Policy. The purchased securities (the "collateral") shall have a minimum market value of 102% of the dollar value of the funds invested. The market value of the collateral securities shall be marked-to-the-market daily and the value shall be adjusted no less frequently than weekly. No substitution of collateral shall be allowed without the prior approval of the Finance Director. All collateral securing repurchase agreements must be delivered to the City's custodian bank or handled under a tri-party repurchase agreement. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

Approved repurchase agreement counterparties shall have a repurchase agreement counterparty credit rating of at least "A-1" or the equivalent and a long-term credit rating of at least "A" or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a City approved master repurchase agreement with the City. No more than 20% of the City's total portfolio shall be invested in repurchase agreements.

CA Govt Code 53601 (j)

**G. Medium-Term Notes** issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the trade settlement, and rated in a rating category of at least “A” or the equivalent by a NRSRO at the time of purchase. The aggregate investment in medium-term notes shall not exceed 30% of the City’s total portfolio. Furthermore, the City shall invest no more than 5% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

CA Govt Code 53601 (k)

**H. Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either:

- (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSROs, or
- (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of \$1,000,000,000.

The purchase price of shares shall not exceed 20% of the City’s total portfolio and shall not include any commission that the companies may charge. Furthermore, no more than 10% of the City’s total portfolio may be invested in any one money market fund.

CA Govt Code 53601 (l)

**I. Alameda County Investment Pool.** The City’s maximum investment in the Alameda County pool is limited to 10% of the City’s total aggregate portfolio.

CA Govt Code 53684

**J. Other Investment Pools.** Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (e), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- 1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

- 2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
- 3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

CA Govt Code 53601 (p)

- K. State of California's Local Agency Investment Fund (LAIF).** The City's participation in LAIF shall conform to State Regulation. The City maintains a total of two LAIF investment accounts and may invest the maximum amount permitted by LAIF's Local Investment Advisory Board. In general, it is the City's intention to use investment in LAIF as a temporary repository for short-term funds needed for liquidity purposes. The Finance Director shall maintain appropriate information concerning LAIF's current investment policies, practices and performance on file. The Finance Director shall also maintain files on LAIF's requirements for participation, including, but not limited to, limitations on deposits or withdrawals and the composition of the portfolio.

CA Govt Code 16429.1

- L. Collateralized Certificates of Deposit** in FDIC-insured financial institutions located in California with a maximum maturity no longer than five years from the date of deposit. Deposits are limited to banks who have a long-term debt rating in a rating category of at least "A" or the equivalent and a short-term debt rating of at least "A-1" or the equivalent by a NRSRO. The City may waive collateral for any portion of its deposit that is covered by federal deposit insurance.

Money shall not be deposited in any state or federal credit union if a member of the legislative body of the City, or any person with investment decision making authority of the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the City, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

The amount on deposit shall not exceed the total paid-up capital (to include capital notes and debentures) and surplus of any depository bank, or the total of the net worth of any savings and loan association. However, deposits in collateralized certificates of deposit shall not exceed 25% of the City's total portfolio, nor shall the City deposit more than 20% of its total portfolio in the collateralized certificates of deposit of any one bank.

CA Govt Code 53649

- M. Municipal Bonds** issued by the state of California and any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency, or by a

department, board, agency or authority of the state or any local agency.

Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

The aggregate investment in municipal bonds may not exceed 20% of the City's total portfolio.

CA Govt Code 53601(c), CA Govt Code 53601(d), and CA Govt Code 53601(e)

**N. Supranationals** defined as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a final maturity not exceeding five years from the trade settlement, and eligible for purchase and sale within the United States. Supranationals shall be rated in a rating category of at least "AA" or the equivalent by a NRSRO at the time of purchase.

The aggregate investment in supranationals may not exceed 30% of the City's total portfolio.

CA Govt Code 53601(q)

**O. Asset-Backed Securities** defined as all mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds, with a final maturity not exceeding five years from the trade settlement.

Asset-backed securities shall be rated in a rating category of at least "AA" or the equivalent by a NRSRO at the time of purchase and have a maximum remaining maturity of five years or less.

The aggregate investment in asset-backed securities may not exceed 20% of the City's total portfolio.

CA Govt Code 53601(o)

## **XI. Prohibited Investments**

Investments not specifically approved by this Statement of Investment Policy are prohibited, including inverse floaters, range notes, mortgage derived interest-only strips, and securities that could result in zero interest accrual if held to maturity, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, the City may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The City may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

## **XII. Credit Downgrade**

The minimum rating criteria for particular investment categories is applied on the date of purchase. The City may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed rating category for that given investment type, the securities shall be reviewed and a plan of action shall be recommended by the Director of Finance or investment manager. The Director of Finance may consult the Investment Advisory Committee on the action to be taken and shall advise its Chairman and Members of the final disposition of the matter either by e-mail or fax.

If an investment advisor is used, the investment advisor will immediately notify the Director of Finance if a purchased security has been downgraded below accepted minimums specified herein, or if the security is placed on negative credit watch, where downgrade could result in a rate drop below acceptable levels of that fact. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further drop, and market price of the security. The City Council will be advised of the situation and intended course of action by e-mail or fax.

## **XIII. Maturity and Diversification**

Maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless City Council has granted express authority to make that investment no less than three months prior to the investment.

## **XIV. Internal Controls**

The Finance Director shall establish a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. Controls deemed most important include:

- **Clearly delegating authority to subordinate staff members.** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control

structure that is contingent on the various staff positions and their respective responsibilities.

- **Separating transaction authority from accounting and record keeping.** By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Delivery versus payment.** All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution before the release of funds. A third party custodian as evidenced by safekeeping receipts will hold securities.
- **Avoiding physical delivery securities.** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Confirming telephone transactions for investments and wire transfers in writing.** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- **Developing wire transfer agreements with the lead bank or third party custodian.** This agreement should outline the various controls and security provisions, and delineate responsibilities of each party making and receiving wire transfers.

## **XV. Banks and Security Dealer Selection**

The Investment Advisory Committee shall approve all financial institutions from which securities are purchased or sold.

In selecting financial institutions for the deposit or investment of City funds, the Finance Director shall consider the creditworthiness of institutions. The Finance Director shall continue to monitor financial institutions' credit characteristics and financial history throughout the period in which City funds are deposited or invested.

Only primary government securities dealers that report to the New York Federal Reserve shall be used for the purchase of repurchase agreements. (It is acknowledged that inclusion on the primary dealer listing of the Federal Reserve Bank of New York is not a guarantee of creditworthiness.)

Effective October 14, 1987, the City shall be prohibited from investing funds with any person who is knowingly or intentionally engaged in the development or production of nuclear weapons. Person is defined as any person, private corporation, institution or other entity, which is within the jurisdiction of the City of Hayward.

If a third-party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes.

## **XVI. Risk Tolerance**

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

The Director of Finance shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity. All investment reports shall specifically address whether current investment results have been affected by any of the foregoing risks, and shall explain what actions investment officials have taken to control or correct for such risks.

A thorough investigation of any money market fund or investment pool, including LAIF and the Alameda County Pool, is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:

- I. A description of eligible investment securities
- II. A written statement of investment policies and objectives
- III. A description of interest calculation and their distribution, and the treatment of gains and losses
- IV. A description of how the securities are safeguarded and how often the

- securities are priced and the program audited
- V. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals
- VI. A schedule for receiving statements and portfolio listings
- VII. A fee schedule, as well as how and when the fees are assessed
- VIII. The rating of the pool/fund
- IX. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience and total assets under management

In addition to these general policy considerations, the following specific policies will be strictly observed:

1. All investment funds will be placed directly with qualified financial institutions. The City will not deposit or invest funds through third parties or money brokers.
2. A competitive bid process, utilizing financial institutions approved by the Investment Advisory Committee, will be used to place investment purchases. Based on annual evaluation, securities dealers, banks, and other financial institutions will be dropped or continued on the eligibility list. The following criteria will be used in the evaluation:
  - a. Number of transactions competitively won
  - b. Prompt and accurate confirmation of transactions
  - c. Efficient securities delivery
  - d. Accurate market information account servicing

If a third party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may rely on its review process and use its own list of approved broker/dealers for investment purposes.

3. The Finance Director may designate an official to manage investments and designate a second official to perform investment management during absences of the primary designee. The Finance Director shall ensure that competent investment management is maintained and shall ensure that, if both designated investment officials are replaced or are simultaneously absent, any temporary replacement(s) shall be closely supervised, indoctrinated in the requirements of this Statement of Investment Policy, and given written investment procedures regulating the authority to invest in maturities beyond six months by means of appropriate controls and restraining requirements.
4. In order to assist in identifying "qualified financial institutions," the Finance Director shall forward copies of the City's Statement of Investment Policy to those financial institutions with which the City is interested in doing business and require written acknowledgement of the policy.



## **XVII. Safekeeping and Custody**

To protect against potential fraud and embezzlement, the assets of the City shall be secured through third-party custody and safekeeping procedures.

The investment official shall be bonded to protect the public against possible embezzlement and malfeasance. An independent auditor shall review safekeeping procedures annually. The auditor may conduct surprise audits of safekeeping and custodial procedures.

All cash and securities in the City's portfolio shall be held in safekeeping in the City's name by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and the City.

All securities will be received and delivered using standard delivery versus payment (DVP) procedures; the City's safekeeping agent will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools, and (ii) money market funds, since the purchased securities are not deliverable.

**Appendix A****Comparison and Interpretation of Credit Ratings<sup>1</sup>****Long-Term Debt Ratings**

<b>Rating Interpretation</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Best Quality Grade	Aaa	AAA	AAA
High Quality Grade	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-
Speculative Grade	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-
Low Grade	B1 B2 B3	B+ B B-	B+ B B-
Poor Grade to Default	Caa	CCC+	CCC
In Poor Standing	- -	CCC CCC-	- -
Highly Speculative Default	Ca C	CC -	CC -
Default	- - -	- - D	DDD DD D

**Short-Term/Commercial Paper Investment Grade Ratings**

<b>Rating Interpretation</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Superior Capacity	P-1	A-1+/A-1	F1+/F1
Strong Capacity	P-2	A-2	F2
Acceptable Capacity	P-3	A-3	F3

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<sup>1</sup> These are general credit rating guidelines and are for information only.

**Appendix B**

**Glossary**

**ASK PRICE:** The price at which a seller offers to sell a security to a buyer.

**ASSET-BACKED SECURITIES:** Bonds created from various types of consumer debt. Returns on these securities come from customer payments on their outstanding loans. The primary types of asset-backed securities are mortgages, home equity loans, auto loans, leases, credit card receivables and student loans.

**BANKERS' ACCEPTANCE:** A letter of credit issued in a foreign trade transaction which allows exporters to receive payment prior to importation of their goods. Banks provide short-term financing to facilitate the transaction and may sell the obligation to a third party. Bankers' Acceptances are secured by the issuer of the bill, while the underlying goods also serve as collateral.

**BANK DEPOSITS:** Collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID PRICE:** The price at which a buyer offers to purchase a security from the seller.

**BOND:** A debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate called a coupon payment. Bonds are used by companies, municipalities, states and the U.S. government to finance a variety of projects and operating activities.

**BROKER:** A broker aligns buyers and sellers of securities and receives a commission when a sale occurs. Brokers generally do not hold inventory or make a market for securities.

**CALIFORNIA LOCAL AGENCY OBLIGATIONS:** Bonds that are issued by a California county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**CD (CERTIFICATE OF DEPOSIT):** Time deposits issued by a bank, savings or federal credit union, or state-licensed branch of a foreign bank. Negotiable Certificates of Deposits rely on the credit rating of the issuing entity.

**COLLATERAL:** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank

to secure deposits of public monies.

**COLLATERALIZATION:** Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**COMMERCIAL PAPER:** Short-term unsecured promissory note issued by a company or financial institution. Commercial paper is issued at a discount and matures at face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

**COUNTY POOLED INVESTMENT FUNDS:** The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

**COUPON:** The annual rate of interest that a bond's issuer promises to pay the bondholder, expressed as a percentage of the bond's face value.

**CREDIT RISK:** Credit risk is the likelihood that an issuer will be unable to make scheduled payments of interest or principal on an outstanding obligation.

**CUSTODIAN:** An agent such as a broker or a bank that stores a customer's investments for safekeeping. The custodian does not have fiduciary responsibilities.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in security transactions, selling securities from, and buying securities for his/her own position.

**DEFAULT:** To default is to fail to repay principal or make timely interest payments on a bond or other debt investment security, or failure to fulfill the terms of a note or contract.

**DELIVERY VERSUS PAYMENT (DVP):** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DURATION:** The weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

**FIDUCIARY:** An individual who holds something in trust for another and bears liability for its safekeeping.

**FLOATING RATE INVESTMENTS:** Notes whose interest rate is adjusted according to the interest rates of other financial instruments. These instruments provide protection against rising or falling interest rates, but may pay lower yield than fixed rate notes.

**FUTURES:** Commodities, which are sold in the present time and are to be delivered at a future date.

**INTEREST ONLY STRIPS:** Securities with cash flow based entirely on the monthly interest payments received from a mortgage, Treasury, or bond payment. No principal is included in these types of securities.

**INVERSE FLOATING RATE INVESTMENTS:** Variable-rate notes (such as inverse floating rate notes) whose coupon and value increase as interest rates decrease.

**INVESTMENT PROGRAM:** The process of modern portfolio management. The process includes establishing investment policy, analysis of the economic and capital markets environment, portfolio monitoring and rebalancing, and measuring performance.

**LIQUIDITY:** The ease with which investments can be converted to cash at their present market value. Liquidity is significantly affected by the number of buyers and sellers trading a given security and the number of units of the security available for trading.

**LOCAL AGENCY BONDS:** These bonds are issued by a county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** A voluntary investment fund open to state and local government entities and certain non-profit organizations in California in which organization pools their funds for investment. LAIF is managed by the State Treasurer's Office.

**MARKET RISK:** Market risk is the risk that investments will change in value based on changes in general market prices.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract which includes provisions specific to the governmental agency that is signed by an authorized officer with each counterparty. A master agreement will often specify details to the nature of transactions, the relationship of the parties to the agreement, parameters pertaining to the ownership and custody of collateral, and remedies in the event of default by either party.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MEDIUM TERM NOTES (MTN):** Unsecured, investment-grade senior debt securities of major corporations that are sold either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to

market opportunities or to investor preferences.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MORTGAGE-BACKED SECURITIES:** A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the real estate assets are used to pay interest and principal on the bonds.

**MORTGAGE PASS-THROUGH SECURITIES:** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUTUAL FUNDS:** An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

**Money market mutual funds** invest exclusively in short-term (1-day to 1-year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper. The principal objective is the preservation of capital and generation of current income.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

The formal term to describe a credit rating agency that is registered with the U.S. securities and exchange commission's office of credit ratings. Ratings provided by NRSROs are used frequently by investors and are used as benchmarks by federal and state agencies. Examples include Moody's, Standard and Poor's, and Fitch.

**OFFER:** The price asked by a seller of securities. See Ask Price and Bid Price.

**OPTION:** A contract that provides the right or obligation, depending on the buyer or seller's position within the contract, to buy or to sell a specific amount of a specific security within a predetermined time period at a specified price. A call option provides the right to buy the underlying security. A put option provides the right to sell the underlying security. The seller of the contracts is called the writer.

**PORTFOLIO:** A collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRINCIPAL ONLY STRIPS:** Securities with cash flow based entirely on the principal payments received from an obligation.

**RANGE NOTES:** A range note is a bond that pays interest if a specified interest rate remains above or below a certain level and/or remains within a certain range.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or

its current market price.

**REPURCHASE AGREEMENT (RP, Repo):** A contractual transaction between an investor and an issuing financial institution (bank or securities dealer). The investor exchanges cash for temporary ownership or control of collateral securities, with an agreement between the parties that on a future date, the financial institution will repurchase the securities.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank in the customer's name.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** A federal government agency comprised of five commissioners appointed by the President and approved by the Senate. The SEC was established to protect the individual investor from fraud and malpractice in the marketplace. The Commission oversees and regulates the activities of registered investment advisers, stock and bond markets, broker/dealers, and mutual funds.

**STATE OBLIGATIONS:** Registered treasury notes or bonds of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 United States.

**STRIPS:** Bonds, usually issued by the U.S. Treasury, whose two components, interest and repayment of principal, are separated and sold individually as zero-coupon bonds. Strips are an acronym for Separate Trading of Registered Interest and Principal of Securities.

**SUPRANATIONALS:** International financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe.

**TRUSTEE:** An individual or organization, which holds or manages and invests assets for the benefit of another. The trustee is legally obliged to make all trust-related decisions with the trustee's interests in mind, and may be liable for damages in the event of not doing so.

**U.S. AGENCY OBLIGATIONS:** Federal agency or United States government-sponsored enterprise obligations (GSEs), participations, or other instruments. The obligations are issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Issuers include: Fannie Mae, Farmer Mac, Federal Farm Credit Banks, Freddie Mac, Federal Home

Loan Banks, Financing Corporation, Tennessee Valley Authority, Resolution Trust Funding Corporation, World Bank, Inter-American Development Bank, and PEFCO.

**U.S. TREASURY OBLIGATIONS (TREASURIES):** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**Treasury Bills:** All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury Bills (T-bills). The Treasury currently issues 3-month and 6-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth cash flows.

**Treasury Notes:** All securities issued with initial maturities of 2- to 10-years are called Treasury Notes (T-notes), and pay interest semi-annually.

**Treasury Bonds:** All securities issued with initial maturities greater than 10-years are called Treasury Bonds (T-bonds). Like Treasury Notes, they pay interest semi-annually.

**WAL: Weighted Average Life:** Is the weighted average time for principal repayment, that is, the average time it takes for every dollar of principal to be repaid. The time weights are based on the principal payments, i.e., the years with more principal payments will have a higher weight..

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. Yield does not include capital gains.

**Income Yield** is obtained by dividing the current dollar income by the current market price for the security.

**Net Yield** or **Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**ZERO-COUPON BOND:** A bond on which interest is not payable until maturity (or earlier redemption), but compounds periodically to accumulate to a stated maturity amount. Zero-coupon bonds are typically issued at a discount and repaid at par upon maturity.





# CITY OF HAYWARD

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

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**File #:** CONS 21-002

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Adopt a Resolution Accepting Transmittal of the Annual Mitigation Fee Act Report (AB1600)

**RECOMMENDATION**

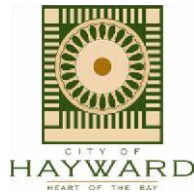
That Council adopts a resolution (Attachment II) accepting transmittal of the annual Mitigation Fee Act (AB 1600) report prepared to satisfy Government Code Subsection 66006(b)(1).

**SUMMARY**

The AB 1600 (Cortese) portion of the Mitigation Fee Act applies to fees charged in connection with the approval of development projects to defray the cost of public facilities. AB 1600 was enacted by the State Legislature in 1987, and applies to developer fees established, increased, or imposed on or after January 1, 1989. This legislation requires an annual report on the status of all eligible fees pursuant to the Mitigation Act to satisfy Government Code Subsection 66006(b)(1) requirements. This staff report includes four primary requirements that the City must satisfy in order to comply with the Mitigation Fee Act, and the City's response for each requirement for the prior fiscal year.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Summary of Applicable Fees for FY 2020



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** Adopt a Resolution Accepting Transmittal of the Annual Mitigation Fee Act Report (AB1600)

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting transmittal of the annual Mitigation Fee Act (AB 1600) report prepared to satisfy Government Code Subsection 66006(b)(1).

### **SUMMARY**

The AB 1600 (Cortese) portion of the Mitigation Fee Act applies to fees charged in connection with the approval of development projects to defray the cost of public facilities. AB 1600 was enacted by the State Legislature in 1987, and applies to developer fees established, increased, or imposed on or after January 1, 1989. This legislation requires an annual report on the status of all eligible fees pursuant to the Mitigation Act to satisfy Government Code Subsection 66006(b)(1) requirements. This staff report includes four primary requirements that the City must satisfy in order to comply with the Mitigation Fee Act, and the City's response for each requirement for the prior fiscal year.

### **BACKGROUND**

It is common for local agencies to charge fees on new development to fund construction of capital facilities that will serve the development. The AB 1600 (Cortese) portion of the Mitigation Fee Act applies to fees charged in connection with the approval of development projects to defray the cost of public facilities. AB 1600 was enacted by the State Legislature in 1987 and applies to developer fees established, increased, or imposed on or after January 1, 1989. This legislation also requires an annual report on the status of all eligible fees pursuant to the Mitigation Act.

### **DISCUSSION**

Below are the four primary requirements that the City must satisfy in order to comply with the Mitigation Fee Act, and the City's response for each requirement for the prior fiscal year.

1. Requirement: Make certain determinations regarding the purpose and use of a fee and establish a “nexus” or connection between a development project (or class of projects) and the public improvement being financed with the fee.

Response: For all projects requiring development fees subject to AB 1600, the City complies with this requirement by establishing a connection between the development and public improvements to be financed. This is accomplished through the established fee structure, which calculates the amount of public improvements required to be financed based on the type of development.

2. Requirement: Segregate fee revenue from the General Fund in order to avoid comingling of capital facilities fees and general funds.

Response: AB 1600 development fees are held in special deposit accounts outside of the General Fund and are therefore not comingled with other fees or funds.

3. Requirement: The City must make findings each fiscal year describing the continuing need for the money for all fees that have been in the possession of the City for five years or more, and for which the dollars have not been spent or committed to a project.

Response: Water and sewer connection fees are both nonrefundable. The fees collected are used to finance the acquisition, construction, and improvement of public water and sewer facilities needed as a result of new development.

4. Requirement: Refund any fees, including accumulated interest, for developer deposits in which the findings noted above cannot be made.

Response: No refunds are required at this time.

The City has satisfied the Mitigation Fee Act requirements for FY 2020.

## **ECONOMIC IMPACT**

Compliance with AB 1600 allows the City to hold development deposits for future improvements to the community to offset the impacts of these new developments.

## **FISCAL IMPACT**

No fiscal impact is associated with this report. Attachment III provides a summary of the applicable fees pursuant to the Mitigation Act for FY 2020.

This report is prepared annually in compliance with Assembly Bill 1600.

## **PUBLIC CONTACT**

A public notice was published in The Daily Review on December 25, 2020, announcing the date, time, location, and subject matter of this report.

*Prepared by:* Marichu Maramba, Accounting Manager  
Elli Lo, Sr. Management Analyst

*Recommended by:* Dustin Claussen, Director of Finance

*Approved by:*

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

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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION ACCEPTING THE REPORT AND ADOPTING FINDINGS  
RELATED TO FEES COLLECTED FOR THE DEVELOPMENT PROJECTS  
SUBJECT TO THE REQUIREMENTS OF THE MITIGATION FEE ACT

WHEREAS, Government Code section 66006, part of the Mitigation Fee Act, which is sometimes referred to as Assembly Bill 1600, requires the City to make findings each fiscal year describing the continuing need to retain fees collected from developers, but which remain unexpended and/or uncommitted after a period of five years; and

WHEREAS, the funds maintained for such period of time must be refunded if the requisite findings cannot be made; and

WHEREAS, the City has unexpended fees that it needs to retain for future expenditures.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby accepts the report of the Director of Finance dated January 26, 2021, and adopts the findings contained therein, copy of which is attached hereto as Attachment III.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:            COUNCIL MEMBERS:  
                     MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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

**City of Hayward**  
**Annual Report on Development Impact Fees, Per Government Code 66000**  
**AB 1600 Statement**  
**Water System Facilities Fees**

Municipal Code, Chapter 11, Article 2, Section 11-2.54 authorizes the City to impose a Water System Facilities Fee upon every applicant for a new water services. The facilities fee will be based on the water meter size.

<https://www.hayward-ca.gov/sites/default/files/documents/adopted-fy-2020-master-fee-schedule.pdf>

**Beginning Balance, 7/1/2019** \$ 39,840,503

**REVENUES**

Fees	4,948,702
Interest income	1,020,288
Miscellaneous	26,455
<b>Total revenues</b>	<b>5,995,445</b>

**EXPENDITURES**

New 8" Pipeline-BART Access Road near Maintenance Yard (07180)	15,474
New .75 MG Tank - Garin reservoir (07183)	303,894
Weather Based Irrigation Controllers (07017)	14,230
Radio Telemetry & Transducer Replacement (07119)	39,242
Groundwater Management Plan (07021)	9,281
Green Hayward Pays Pilot (07058)	36,123
Chlorine Booster Station (07102)	596
Hesperian Water Field Improvements (07015)	6,361
Safety Improvement Corp Yard (07189)	38,948
Transfer out	4,263,432
<b>Total Expenditures</b>	<b>4,727,581</b>

**Percent Financed with Fees**

	0
	0
	100
	100
	100
	0
	100
	100
	100

Excess of revenues over/(under) expenditures 1,267,864

**Ending balance, 6/30/20** \$ **41,108,367**

**Notes:**

Transfer out in the amount of \$3,500,000 was for Solar Project Phase IIA

Transfer out in the amount of \$265,000 was for Hesperian Pump Station Project.

Transfer out in the amount of \$498,432 was for debt service payments to fund Recycled Water project.

**City of Hayward**  
**Annual Report on Development Impact Fees, Per Government Code 66000**  
**AB 1600 Statement**

**Sewer System Connection Charges and Fees**

Municipal Code, Chapter 11, Article 3, Section 11-3.255 authorizes the City to assess connection fees to any customer (new or existing) who installs new or additional fixtures, processes, or equipment, or otherwise causes an increase in wastewater discharge into the City sewer. Residential users shall be assessed for each unit. Commercial, Industrial, Institutional and Other Users will be calculated in accordance with the number of gallons of daily capacity required to serve the customers and the pounds per year of carbonaceous biochemical oxygen demand and suspended solids.  
<https://www.hayward-ca.gov/sites/default/files/documents/adopted-fy-2020-master-fee-schedule.pdf>

<b>Beginning Balance (adjusted), 7/1/2019</b>	\$	18,547,405	
<b>REVENUES</b>			
Fees		4,691,747	
Bond proceeds		1,822,842	
Interest income		454,314	
Miscellaneous		4,068,175	
Total revenues		11,037,078	
<b>EXPENDITURES</b>			<b>Percent Financed with Fees</b>
Solar Power Design/Construction Phase II (07530)		2,090,372	0
Recycled Water Treatment and Distribution Facilities (07507)		1,868,441	23%
Recycled Water Facility Treatment (07710)		1,442,811	100
Sludge Screening (07567)		637,906	100
WPCF Final Clarifier No 1 Structure (07704)		268,065	100
WPCF Tertiary Treated Near Shore (07708)		245,331	100
WPCF Gravity Felt Thickener Sludge (07705)		175,000	100
Co-Generation System Maintenance Contract (07679)		115,680	100
WPCF Sludge Pipeline (07706)		77,252	100
Sewer Main Install 880/WILLIMET (07717)		53,430	100
WPCF Final Clarifier No 1 & 2 Equipment Coating (07703)		33,532	100
Energy Management at WPCF (07542)		26,834	100
Transfer out		2,566,518	
Total Expenditures		9,601,172	
Excess of revenues over/(under) expenditures		1,435,906	
<b>Ending balance, 6/30/20</b>	<b>\$</b>	<b>19,983,311</b>	

Note:

Transfer out in the amount of \$2,566,518 was for debt service payments to fund Solar project and WPCF Improvement project Phase





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**File #:** CONS 21-014

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt a Resolution Regarding New Service Stations Selling Fossil Fuels

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) providing staff with guidance for the review of any new proposed service stations selling fossil fuels.

**SUMMARY**

Hayward's Climate Action Plan (CAP) goals and policies seek to significantly reduce greenhouse gas (GHG) emissions, which will require significant reductions in the use of fossil fuels. Over time, the use of electric vehicles EVs will increase, the efficiency of internal combustion engine vehicles will improve, and the demand for fossil fuels for vehicles is expected to decline. This report presents a resolution that would establish a new procedure for the review of proposals for new service stations that would sell fossil fuels. The purpose for the resolution and procedure would be to include Council earlier in the review process and to limit the unnecessary and potentially harmful proliferation of new service stations in recognition of Hayward's CAP goals.

*Review by Council Sustainability Committee* - The Council Sustainability Committee (CSC) discussed service stations on November 9, 2020, and recognized that the development of new fossil fuel infrastructure is contrary to the goals of the CAP and potentially harmful to the community. The CSC agreed that new service stations should not be approved at the staff level and unanimously recommended that Council adopt a resolution that:

- Indicates Council's preference not to permit new service stations that sell fossil fuels; and
- Directs staff to bring all proposals for new service stations selling fossil fuels to the Council Economic Development Committee (CEDC) and to the full Council.

The CSC noted that developers and business owners should be aware of Council's desire to limit investment in new fossil fuel-related infrastructure. The CSC also suggested that such a policy could be incorporated into a Zoning Ordinance amendment in the next two to three years.

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**File #:** CONS 21-014

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**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works  
Development Services Director

**SUBJECT:** Adopt a Resolution Regarding New Service Stations Selling Fossil Fuels

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) providing staff with guidance for the review of any new proposed service stations selling fossil fuels.

## **SUMMARY**

Hayward's Climate Action Plan (CAP) goals and policies seek to significantly reduce greenhouse gas (GHG) emissions, which will require significant reductions in the use of fossil fuels. Over time, the use of electric vehicles EVs will increase, the efficiency of internal combustion engine vehicles will improve, and the demand for fossil fuels for vehicles is expected to decline. This report presents a resolution that would establish a new procedure for the review of proposals for new service stations that would sell fossil fuels. The purpose for the resolution and procedure would be to include Council earlier in the review process and to limit the unnecessary and potentially harmful proliferation of new service stations in recognition of Hayward's CAP goals.

*Review by Council Sustainability Committee* – The Council Sustainability Committee (CSC) discussed service stations on November 9, 2020<sup>1</sup>, and recognized that the development of new fossil fuel infrastructure is contrary to the goals of the CAP and potentially harmful to the community. The CSC agreed that new service stations should not be approved at the staff level and unanimously recommended that Council adopt a resolution that:

- Indicates Council's preference not to permit new service stations that sell fossil fuels; and
- Directs staff to bring all proposals for new service stations selling fossil fuels to the Council Economic Development Committee (CEDC) and to the full Council.

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4686764&GUID=4C1DD7E6-5CB7-4A48-A546-3EBB45D27303&Options=&Search=>

The CSC noted that developers and business owners should be aware of Council's desire to limit investment in new fossil fuel-related infrastructure. The CSC also suggested that such a policy could be incorporated into a Zoning Ordinance amendment in the next two to three years.

## **BACKGROUND**

The attached link to the CSC report<sup>2</sup> dated November 9, 2020 provides background information for this item. A proposal to add a fuel facility at the Costco Business Center on Hathaway Avenue was considered by Council on July 21, 2020 and was not approved due to a tie vote. Subsequently, it was brought back to the full Council on November 10, 2020, and Council expressed a desire to support the existing Costco business but was also concerned about potential impacts to other Hayward service stations. Council acknowledged that based on the recent recommendation from the CSC, future proposals for new service stations should be reviewed by the CEDC early in the review process. After much deliberation, Council approved the Costco project by a vote of four to three.

## **DISCUSSION**

There are forty-six gas stations in Hayward. The staff report from November 9<sup>th</sup> includes a map showing the locations of all forty-six stations with thirty-five stations being located along six major corridors: Hesperian Boulevard, A Street, Foothill Boulevard, Jackson Street, Mission Boulevard, and Tennyson Road. The new gas station recently approved for the Costco on Hathaway Avenue will bring the total to forty-seven. Additionally, one of Hayward's existing stations, the Costco on Hesperian Boulevard, has submitted an application for an amendment to the original Planned Development approval to add ten more dispensers (20 pumping stations). This application has been deemed complete and is nearing completion of the review process.

The City's Zoning Ordinance (Chapter 10, Article 1 of the Hayward Municipal Code) allows service stations with a Conditional Use Permit in some commercial and mixed-use districts. Service stations are also allowed in various industrial districts with an Administrative Use Permit and in some planned development districts as a permitted use. Service stations are also permitted with a Conditional Use Permit in the area covered by the Mission Boulevard Code (Chapter 10, Article 24 of the Hayward Municipal Code). Amendments to the Zoning Ordinance and the Mission Boulevard Code to restrict the development of new gas stations and/or the expansion of existing stations would require Planning Commission and City Council hearings and may require environmental review pursuant to the California Environmental Quality Act (CEQA). Preparation of such amendments could take a significant amount of staff resources.

The CSC recommended that Zoning Ordinance amendments might be pursued in the next two to three years and that in the meantime, a resolution adopted by Council would be

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<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4686764&GUID=4C1DD7E6-5CB7-4A48-A546-3EBB45D27303&Options=&Search=>

appropriate to establish an application review procedure. If adopted, the attached resolution would direct staff to bring all proposals for new service stations selling fossil fuels to the CEDC and to the full Council. This additional review would allow Council to consider whether or not the proposal is consistent with City policies and goals, and it would also allow for direct feedback to the project applicant earlier in the review process.

## **ENVIRONMENTAL DETERMINATION**

Adoption of the proposed resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, “CEQA”), because it has no potential for resulting in a physical change to the environment.

## **ECONOMIC IMPACT**

The business model for automobile fueling is already evolving to support alternative “zero emission” fuels and electric vehicle infrastructure. The new review procedure that would be established with adoption of the recommended resolution may limit the development of new service stations in Hayward, but it is expected to have an insignificant impact on the local economy.

## **FISCAL IMPACT**

In recent years, the City has received just under \$2 million per year in sales tax from Hayward service stations, which goes to the City’s General Fund.

Table 1. Annual Sales Tax Data for Service Stations (quarter 2 actuals, year over year).

	YE 2013Q2	YE 2014Q2	YE 2015Q2	YE 2016Q2	YE 2017Q2	YE 2018Q2	YE 2019Q2	YE 2020Q2
Service Stations	\$2,379,520	\$2,256,726	\$1,996,763	\$1,701,002	\$1,753,262	\$1,912,154	\$2,046,604	\$1,786,543

This is approximately \$40,000 per year per service station. If an application for a new service station is denied, and that station is subsequently located in a neighboring jurisdiction, there will be partial loss of the \$40,000 sales tax since some of the sales could still remain in the City through increased sales by existing service stations. The sales tax loss is estimated as roughly one-half, or about \$20,000 per year. Hayward also receives approximately \$6.7 million in state funding each year for the purposes of improving streets, sidewalks, and bike lanes, and supporting public transportation. Roughly two thirds of this funding comes from taxes on gasoline and diesel sales. Limiting new service stations would limit growth of sales tax and transportation funding for the City. However, if it is not convenient for drivers to fuel their vehicles in Hayward, they will likely do so in a neighboring area. Also, as electric vehicles gain popularity, there will eventually be a decrease in these revenue streams. To help make up for the decrease in fuel tax revenue, the State of California, beginning July 1, 2020, started collecting an extra vehicle registration fee of \$100 to \$175 on electric vehicles, depending on the vehicle’s value. A portion of those fees go to local governments for road maintenance.

## **STRATEGIC ROADMAP**

In January 2020, Council adopted six Strategic Priorities as part of its three-year Strategic Roadmap. This agenda item is not specifically called for in the Roadmap but it does support the priority of Combat Climate Change and the implementation of the following project:

Project 1: Reduce dependency on fossil fuels

### **SUSTAINABILITY FEATURES**

Limiting increases in gasoline consumption would contribute to reductions in transportation-related emissions and may help Hayward meet its long term GHG reduction goals. On the other hand, market forces and state regulation are expected to increase the use of electric vehicles, which will also lead to reductions in gasoline consumption.

### **PUBLIC CONTACT**

Staff provided notice to the Chamber of Commerce and owners of existing service stations in Hayward prior to the CSC meeting. Staff heard from one service station owner who was opposed to limiting the establishment of new service stations. At the CSC meeting, Kim Huggett, Executive Director of the Hayward Chamber of Commerce, spoke in opposition to any new limitations on new service stations. He noted that the Zoning Ordinance already addresses this issue and he also expressed his concern for trucking companies that need fueling stations for their vehicles. He stated his desire to preserve access to fossil fuel stations and to not limit them as they also serve as convenience markets. Staff provided notice of this agenda item to the Chamber of Commerce and to over sixty owners, managers, and stakeholders for existing service stations in Hayward.

### **NEXT STEPS**

Upon adoption of the attached resolution, staff will ensure that any proposals for new service stations selling fossil fuels will be presented to the CEDC, Planning Commission, and to the full Council for review.

Prepared by: Erik Pearson, Environmental Services Manager

*Recommended by:* Alex Ameri, Director of Public Works  
Laura Simpson, Director of Development Services

Approved by:



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION ESTABLISHING REVIEW PROCESS FOR NEW SERVICE STATIONS SELLING FOSSIL FUELS

WHEREAS, according to Hayward's 2019 greenhouse gas (GHG) inventory, the transportation sector is the largest emission sector with approximately 65% of total emissions coming from passenger and commercial vehicles and gasoline passenger vehicles alone accounted for roughly 55% of the total transportation sector emissions; and

WHEREAS, on June 23, 2020, Council adopted updated emission reduction targets including a goal to reduce GHG emissions 55% below 2005 levels by 2030 and an intention to achieve carbon neutrality by 2045; and

WHEREAS, the State of California has a goal of 5 million zero emission vehicles statewide by 2030 and by 2025 EVs are expected to make up 30% of all vehicle sales in California; and

WHEREAS, over time, fossil fuel vehicles are becoming more fuel-efficient, which is also resulting in less fuel usage per mile traveled; and

WHEREAS, on September 23, 2020, Governor Gavin Newsom signed an executive order requiring all new vehicles sold in the State be zero-emission vehicles by 2035 to combat climate change and reduce statewide emissions; and

WHEREAS, on November 9, 2020, the City of Hayward City Council Sustainability Committee recommended that Council adopt a resolution with guidance for staff regarding the review of new proposed service stations selling fossil fuel.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward does hereby direct staff to present any new proposal for a new service station that would sell fossil fuel to the Council Economic Development Committee for review.

BE IT FUTHER RESOLVED that the City Council of the City of Hayward does hereby direct staff to present any new proposal for a new service station that would sell fossil fuel to the Council Economic Development Committee and the Planning Commission for review and recommendation to Council.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:            COUNCIL MEMBERS:  
                     MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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





# CITY OF HAYWARD

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

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**File #:** CONS 21-016

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Mark Thomas & Company for the Mission Boulevard Corridor Improvements Phase 3 Project, in the Amount of \$194,180, thereby Increasing the Total Contract Amount Not-to-Exceed \$1,519,180

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) authorizing the City Manager to execute an amendment to the professional services agreement with Mark Thomas & Company in an amount not-to-exceed \$194,180 for the Mission Boulevard Corridor Improvements Phase 3 Project.

**SUMMARY**

Construction of Phase 1 of the Mission Boulevard Corridor Improvement Project from A Street to Industrial Parkway and Foothill Boulevard from Mission Boulevard to Apple Avenue was completed in January 2014. Construction of Phase 2 of the project from Industrial Parkway to the southern City limit at Blanche Street has been completed. Phase 3 of the project, from A Street to the northern City limit at Rose Street is the last phase of the three-phase project to be constructed. The construction documents are nearly completed; however, due to late design changes, additional design services are necessary to complete the bid documents. Staff negotiated a fee of \$194,180 with Mark Thomas & Company for the additional design services.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Mark Thomas & Company for the Mission Boulevard Corridor Improvements Phase 3 Project, in the Amount of \$194,180, thereby Increasing the Total Contract Amount Not-to-Exceed \$1,519,180

### **RECOMMENDATION**

That the Council adopts a resolution (Attachment II) authorizing the City Manager to execute an amendment to the professional services agreement with Mark Thomas & Company in an amount not-to-exceed \$194,180 for the Mission Boulevard Corridor Improvements Phase 3 Project.

### **SUMMARY**

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### **BACKGROUND**

Below is a list of major milestones for the Mission Boulevard Corridor Improvement project:

- November 2007: Council approved Phase 1 of the Route 238 Corridor Improvement Project, which covered roadway and street improvements on Mission Boulevard (from A Street to Industrial Parkway) and Foothill Boulevard (from Mission Boulevard to Apple Avenue) and certified the Final Environmental

Impact Report (FEIR) for the project. Subsequently, Caltrans relinquished portions of State Routes 92, 185 and 238 to the City within the Phase 1 project limits.

- May 2010: Local Area Transportation Improvement Program (LATIP) funds totaling \$30 million were approved by the California Transportation Commission (CTC) for use on the project.
- August 2010: Construction of the Phase 1 project began.
- August 2013: CTC allocated \$8.1 million of the total \$30 million for the Route 238 Phase 1 expenses.
- January 2014: Construction of the Phase 1 project was completed.
- August 2014: CTC allocated \$2 million of the total \$30 million for the design of Phases 2 and 3.
- August 2017: Alameda County Transportation Commission (ACTC) obligated \$21.5 million in Measure BB funds; \$10.6 million for Phase 2 construction and \$10.9 million for Phase 3 construction.
- October 2017: CTC allocated \$19.9 million of the total \$30 million for the construction of Phase 2.
- September 2017: Council approved plans and specifications and call for bids for the Phase 2 project.
- March 2018: Construction of the Phase 2 project began.
- July 2020: Council approved plans and specifications and call for bids for the Phase 3 project when the utility companies provides their final drawings for undergrounding of the overhead utilities and property owners provide the temporary construction easements.
- September 2020: Completion of Phase 2 construction.

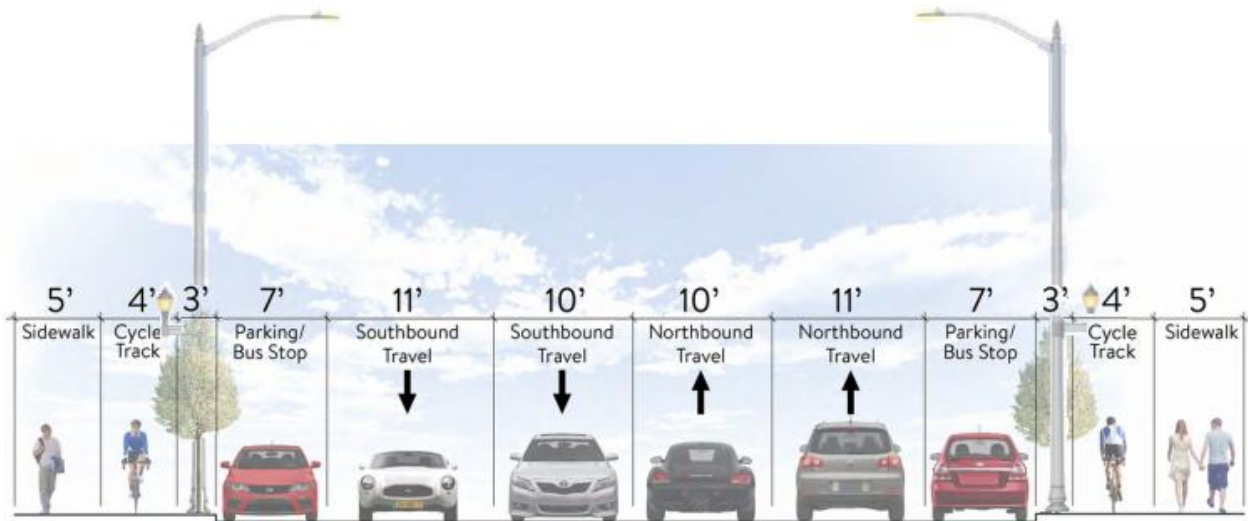
On April 11, 2017, Council approved an agreement with Mark Thomas & Company for professional services to complete the design for Phase 3 of the project. Several design alternatives were presented in meetings to the Council Infrastructure Committee (CIC) and the community. In addition to bike lanes, the alternatives were as follows:

- Alternative 1: Reducing motorist travel lanes from two to one in each direction
- Alternative 2: Maintain 2-lanes motorist travel with 6-foot-wide sidewalk
- Alternative 3: Maintain 2-lanes motorist travel with 8-foot wide sidewalk
- Alternative 4: Maintain 2-lanes motorist travel with 7-foot wide sidewalk

Each alternative had its advantages and disadvantages. Traffic studies performed for Alternative 1 indicated that traffic congestion levels would increase significantly. All alternatives accommodated bicyclists by including bike lanes between the outside travel lane and parking lane. Due to the narrow 80-foot right-of-way, there is not enough room in alternatives 2-4 for bike buffer zones, which is not ideal for an arterial roadway with bus routes.

Based on a suggestion by Bike East Bay, a non-profit organization that works towards promoting bicycling as an everyday means of transportation and recreation, the final design includes a cycle track that shifts the bike lane between the parking lane and the

sidewalk. The cycle track consists of a 5-foot-wide sidewalk, a 4-foot-wide cycle track, 3-foot-wide section for trees/streetlights, 7-foot-wide parking lane, 11-foot wide, and 10-foot-wide lanes for motorists as shown below:



The concept was presented to the CIC and received their support.

Phase 3 improvements will include the following:

- Undergrounding of existing overhead utility lines
- Reconstruction of existing sidewalks, curbs and gutters, valley gutters, and driveways that are in poor condition or are deficient
- Adjust existing driveways to conform to the new sidewalks, curbs, and gutters
- New bike lanes, i.e., cycle track between the parking lane and the sidewalk
- New street trees in between the curb and the cycle track
- Modify and add new storm drain inlets to improve drainage
- Rehabilitate existing pavement using Cold In-place Recycling (CIR) and a new pavement overlay
- Upgrade intersections to comply with the latest Americans with Disabilities Act (ADA) accessibility standards
- Upgrade the existing traffic signal at Sunset Boulevard with Adaptive Traffic Management System technology to improve signal timing by adapting to traffic conditions in real time
- New signage and relocation of bus stops
- Conduits for future fiber optic lines
- New LED and dimmable street lighting
- Improve crosswalks at uncontrolled crossings with bulb outs and flashing beacons
- New gateway entry features at Rose Street

## DISCUSSION

Before completion of the final bid documents, final construction drawings by the utility companies for the undergrounding of the overhead utilities, temporary construction easements and Alameda County coordination need to be completed.

### Rule 20 Program

PG&E places overhead electric facilities underground within their service area. This work is done under provisions of the company's Rule 20A, an electric tariff filed with the California Public Utilities Commission (CPUC). Projects performed under Rule 20A are nominated by local agencies and discussed with PG&E as well as other utility companies. The costs for undergrounding under Rule 20A are recovered through electric rates after the project is completed.

On December 14, 2010, in anticipation of Phases 2 and 3 of the Mission Boulevard Corridor Improvements project, Council adopted Ordinances to form Underground District No. 29 (Mission Boulevard from A Street to the north City limit) and Underground District No. 30 (Mission Boulevard from Arrowhead Way to the southern City limit) to facilitate use of the Rule 20A funds allocated each year to the City by PG&E to replace existing overhead utility facilities with underground facilities. Due to higher than anticipated costs for recently completed undergrounding projects and because the CPUC reduced local agency Rule 20A allocations, the City cannot complete the undergrounding work in Phases 2 and 3 using only Rule 20A funds. Staff is working on a five year borrowing plan on the City's Rule 20A allocations, which allows cities to borrow up to five years' worth of future credits for the current project. Additionally, staff acquired Rule 20A allocations from the City of Corcoran. It is estimated that approximately \$2.9 million of Rule 20A funding will be available for the Phase 2 project. Phase 2 undergrounding was performed under both Rule 20A and Rule 20B while Phase 3 will be performed under Rule 20B where the project pays for the majority of the undergrounding work.

Undergrounding District No. 29 in Phase 3 includes electrical service panel conversion work on forty-eight private properties and as part of the Rule 20A program, PG&E allows up to \$1,500 from the allocation allowance for each service entrance. Since Phase 3 will be performed under Rule 20B, the City will assume responsibility for each service panel conversion as part of the total project cost.

PG&E estimated that final construction drawings would be completed around June 2020; however, due to various reasons, PG&E completed and provided the final construction drawings in October 2020. These final drawings from PG&E resulted in changes that required additional design work to the City's final bid documents for advertising.

### Temporary Construction Easement (TCE)

Temporary construction easements (TCE) are needed prior to the start of construction. TCEs allow construction on private property. While the majority of the improvements will be within the City's right-of-way, there are some improvements like the construction of sidewalks, driveways, and driveway conforms where the contractor will need to have access on private properties.

There are approximately fifty-six TCEs needed for this project. TCE's are secured before the start of construction eliminating any delay to the work. It was anticipated that the TCEs would be secured in September 2020; however, this process required more time and effort. Due to the complexities of contacting property owners and negotiating the improvements on private properties, additional right-of-way services were required to complete all needed TCEs.

#### Improvements to Alameda County's Future Project on Mission Boulevard

Alameda County is currently in the design phase of Mission Boulevard improvements from the City limit at Rose Street to Interstate 238. City staff has been coordinating with County staff on the construction drawings. Since the City's portion will be constructed ahead of the County's portion, it is important to coordinate both sets of drawings to tie the interface and to minimize the amount of demolition of the City's improvements when the County starts construction.

#### Additional Services and Amendments to Professional Service Agreement

On April 11, 2017, Council approved an agreement with Mark Thomas & Company for professional services to complete the design for Phase 3 of the project. Since the original professional services agreement, there has been two amendments:

- May 21, 2019, Council approved an amendment to Mark Thomas & Company's professional services agreement for additional design work in relation to the alternative designs and final cycle track design.
- July 21, 2020, Council approved an amendment to Mark Thomas & Company's professional services agreement for construction support services.

An estimated additional \$194,180 is needed for remaining design services work to complete the final bid documents, which requires incorporating PG&E's final drawings, making changes related to the TCEs, and revising the improvements that connect to the County's future project. Staff recommends that Council approves increasing Mark Thomas & Company's contract by \$194,180 and thereby increasing the total contract amount not-to-exceed \$1,519,180.

#### **ECONOMIC IMPACT**

Completion of Phase 3 improvements would result in a complete street and positive economic benefits for businesses along the Mission Boulevard Corridor.

#### **FISCAL IMPACT**

The estimated project costs for Phase 3 are as follows:

	Estimated Cost
Design	\$1,700,000
Construction	\$9,600,000

Construction Contingency (ACO)	\$960,000
Estimated PG&E Contract for Undergrounding	\$1,800,000
Construction Admin, Inspection, Testing	\$1,500,000
<b>Phase 3 Project Total</b>	<b>\$15,560,000</b>

The total current budget is \$16 million outlined in the FY21 adopted Capital Improvement Program in the Route 238 Corridor Improvement Fund. An updated cost estimate will be provided when PG&E provides the contract for the undergrounding of the utilities and the project receives construction bids.

## **STRATEGIC ROADMAP**

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

Project 7c: Complete design of Mission Boulevard Phase 3 and construction

## **SUSTAINABILITY FEATURES**

This project incorporates sustainability features as they relate to water, energy, and the environment. Additionally, improvements such as the cycle track and sidewalk will promote health through physical activity.

## **PUBLIC CONTACT**

Community meetings were held on October 12, 2016, July 12, 2018, and February 20, 2019 at City Hall to provide updates to the project with emphasis on the cycle track during the last community meeting.

## **SCHEDULE**

The following is the tentative schedule:

Complete Design	January 2021
Call for Bids	February 2021
Open Bids	March 2021
Award Construction Contract	April 2021
Begin Construction	May 2021
Complete Construction	Summer 2022

## **NEXT STEPS**

If Council approves the resolution to amend the contract with Mark Thomas & Company and when the amendment is executed by the City Manager, the consultant will complete their design services. Additionally, after staff evaluates the bid results, staff will return to Council for the recommendation for award of construction contract.

*Prepared by:* Dave Hung, Senior Civil Engineer  
Kathy Garcia, Deputy Director of Public Works

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

*Approved by:*

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

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Kelly McAdoo, City Manager



HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS & COMPANY FOR ADDITIONAL SERVICES ASSOCIATED WITH THE MISSION BOULEVARD CORRIDOR IMPROVEMENTS PHASE 3 PROJECT, PROJECT NO. 05287

WHEREAS, the aforesaid parties have entered into that certain Agreement dated the 15th day of May, 2017, entitled "Agreement for Professional Services between the City of Hayward and Mark Thomas & Company for the Mission Boulevard Corridor Improvements Phase 3 Final Design," and

WHEREAS, the City and the Consultant desire to amend the Agreement in certain respects to enable Mark Thomas & Company to provide the remaining design service and complete the final bid documents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to execute, on behalf of the City of Hayward, an amendment to the agreement with Mark Thomas & Company for additional services not-to-exceed \$194,180 associated with the Mission Boulevard Corridor Improvements Phase 3 Project.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

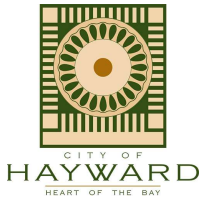
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# CITY OF HAYWARD

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

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**File #:** CONS 21-035

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt Resolutions Authorizing the Appropriation of Funds in the Amount of \$354,083 for the FY 2020 Median Landscape Improvement Project 05255 and Awarding a Contract to Marina Landscape, Inc., in an Amount Not-to-Exceed \$399,083

**RECOMMENDATION**

That Council adopts resolutions (Attachments II and III) authorizing the appropriation of funds in the amount of \$354,083 for the FY 2020 Median Landscape Improvement Project, and awarding the construction contract to Marina Landscape, Inc., in an amount not-to-exceed \$399,083.

**SUMMARY**

On December 8, 2020, six bids were received for the FY 2020 Median Landscape Improvement Project. Marina Landscape, Inc., of Orange, California submitted the low bid in the amount of \$399,083, which is 1.039% higher than the Engineer's Estimate of \$399,024. Bortolussi & Watkin, Inc., submitted the second lowest bid in the amount of \$399,989, which is 1.042% higher than the Engineer's Estimate.

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

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Award Resolution
Attachment III	Appropriation Resolution
Attachment IV	Bid Results



DATE: January 26, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt Resolutions Authorizing the Appropriation of Funds in the Amount of \$354,083 for the FY 2020 Median Landscape Improvement Project 05255 and Awarding a Contract to Marina Landscape, Inc., in an Amount Not-to-Exceed \$399,083

### **RECOMMENDATION**

That Council adopts resolutions (Attachments II and III) authorizing the appropriation of funds in the amount of \$354,083 for the FY 2020 Median Landscape Improvement Project, and awarding the construction contract to Marina Landscape, Inc., in an amount not-to-exceed \$399,083.

### **SUMMARY**

On December 8, 2020, six bids were received for the FY 2020 Median Landscape Improvement Project. Marina Landscape, Inc., of Orange, California submitted the low bid in the amount of \$399,083, which is 1.039% higher than the Engineer's Estimate of \$399,024. Bortolussi & Watkin, Inc., submitted the second lowest bid in the amount of \$399,989, which is 1.042% higher than the Engineer's Estimate.

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

### **BACKGROUND**

The FY 2020 Median Landscape Improvement Project is the sixth project from the Master Plan for Landscape and Irrigation Improvement for key corridors that was developed and to be implemented in an effort to improve the appearance of key corridors throughout the City. The first project improved the roundabout in the Fairway Park neighborhood. The second through fifth projects improved the landscape medians along Industrial Parkway, from Ruus Road to Mission Boulevard, on West Winton from Southland Drive to Southland Place, on Industrial Boulevard from Clawiter Road to 659 Feet South of Depot Road, and Industrial Parkway West from Hesperian Boulevard to I-880.

## DISCUSSION

On December 8, 2020, six bids were received for the FY 2020 Median Improvement Project. Marina Landscape, Inc., of Orange, California submitted the low bid in the amount of \$399,083, which is 1.039% higher than the Engineer's Estimate of \$384,024. Bortolussi & Watkin, Inc., submitted the second lowest bid in the amount of \$399,989, which is 1.042% higher than the Engineer's Estimate. The bids ranged from \$399,083 to \$525,085.

Staff verified that all bids documents and licenses are in order. Staff recommends the award of the construction contract to the low bidder, Marina Landscape, Inc., in the amount of \$399,083.

On November 15, 2016, Council passed a resolution authorizing a Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC), which applies to City projects with construction costs of \$1,000,000 or more. Because the construction cost estimate for the FY 2020 Median Landscape Improvement Project is less than \$1,000,000, the CWA agreement does not apply to this project.

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

The project conforms to Bay-Friendly landscape practices and complies with the City's Bay-Friendly Landscape and Water Efficient Landscape Ordinance.

## ECONOMIC IMPACT

While improving the attractiveness of an area for the community and businesses can indirectly benefit the area, there are no direct economic impacts related to this work.

## FISCAL IMPACT

The estimated project costs are as follows:

Construction Contract	\$399,083
Construction Contingencies	40,000
Design and Administration	22,000
Construction Survey, Inspection and Testing	<u>22,000</u>
TOTAL	\$483,083

The project will be funded by two sources: (1) \$129,000 from Project 07482, New Fire Station 6 and Fire Training Center in Measure C Capital (Fund 406), and (2) \$354,083 from Project 05255, FY 2020 Median Landscape Improvement Project in Street System Improvements Fund (Fund 450). Project 07482 partially funds the median landscaping project to plant new trees in other areas due to the limited space for new trees at the site of Fire Station 6 and Fire Training Center. Project 05255 was originally a FY 2019 Median Landscape Improvement Project, but it did not commence due to insufficient funds for the large scope. Thus, the remaining available

funds were not carried forward to FY 2021 and returned to fund balance. Staff is recommending the appropriation of \$354,083 from Fund 450 fund balance to Project 05255 to restore the previously appropriated funds.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priorities to Combat Climate Change. Specifically, this item relates to the implementation of the following projects.

Project 6: Plant 1,000 trees annually (500 trees per year by City staff, 500 additional trees by other partners (HARD, CSU, Chabot, and private developers))

This project is anticipated to add forty-six trees.

## **SUSTAINABILITY FEATURES**

This project includes the installation of drought tolerant plants to reduce the amount of water usage, including installation of a new irrigation system and controller. The project will implement Bay-Friendly Landscaping techniques to use native and climate appropriate plants for median islands. All material generated during construction and demolition will be sent to designated facilities for recycling.

## **PUBLIC CONTACT**

During the construction period, travel lanes adjacent to the center median both north and south bound of Hesperian Boulevard, from Chabot Court to La Playa Drive, will be closed to through traffic, reducing three lanes to two lanes in both directions. Because of this temporary inconvenience, a preliminary notice will be distributed to the businesses adjacent to the limit of work. Prior to the actual start of construction, businesses will receive a 72-hour notification.

## **NEXT STEPS**

Begin Construction  
Complete Construction

Mid-February 2021  
Late March 2021

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

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

*Approved by:*



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-\_\_\_\_

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

RESOLUTION AWARDING THE FY 2020 MEDIAN LANDSCAPE  
IMPROVEMENT PROJECT, PROJECT NOS. 05255 & 07482, CONSTRUCTION  
CONTRACT TO MARINA LANDSCAPE, INC.

WHEREAS, by Resolution No. 20-189 on November 10, 2020, the City Council approved the plans and specifications for the FY 2020 Median Landscape Improvement Project, Project Nos. 05255 & 07482 and called for bids to be received on December 8, 2020; and

WHEREAS, on December 8, 2020, six bids were received ranging from \$399,083 to \$525,085; Marina Landscape, Inc., of Orange, CA submitted the lowest bid in the amount of \$399,083, which is 1.039% higher than the Engineer's Estimate of \$384,024.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Hayward that Marina Landscape, Inc., is the lowest responsible bidder whose bid complies with the specifications and is hereby awarded the construction contract for the FY 2020 Median Landscape Improvement Project.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute the contract with Marina Landscape, Inc., in the amount of \$399,083, as stated in its bid, in the name of and for and on behalf of the City of Hayward, in a form approved by the City Attorney.

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the Director of Public Works is authorized to expend up to \$483,000 for project design, construction, project administration, and contingency costs to complete the project.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-\_\_\_\_

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

RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS IN THE AMOUNT OF \$354,083 FOR THE FY 2020 MEDIAN LANDSCAPE IMPROVEMENT PROJECT, PROJECT NO. 05255

WHEREAS, by Resolution No. 20-189 on November 10, 2020, the City Council approved the plans and specifications for the FY 2020 Median Landscape Improvement Project, Project Nos. 05255 & 07482 and called for bids to be received on December 8, 2020; and

WHEREAS, Project 05255 was originally a FY 2019 Median Landscape Improvement Project, but the Project did not commence and remaining available funds were returned to fund balance.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Hayward authorizes and appropriates \$354,083 from the Street System Improvements Fund (Fund 450) for project 05255, to restore the previous appropriated remaining funds.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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





CITY OF HAYWARD  
DEPARTMENT OF PUBLIC WORKS - ENGINEERING & TRANSPORTATION  
PROJECT TITLE: MEDIAN LANDSCAPE IMPROVEMENT PROJECT, FY 2020  
PROJECT NOS. 05255 & 07482  
BID OPENED: DECEMBER 8, 2020  
NO. OF BIDS RECEIVED: 6

ALEX AMERI, Director of Public Works

Date

AWARDED

BID SUMMARY						
ENGINEER'S ESTIMATE	Marina Landscape, Inc.	Bortolussi & Watkin, Inc.	Marshall Brothers Enterprises, Inc.	Kerex Engineering, Inc.	Sposeto Engineering, Inc.	Suarez & Munoz Construction, Inc.
	3707 W. Garden Grove Blvd, Orange, CA 92868	77 Larkspur Street, San Rafael, CA 94901	5783 Preston Avenue, Livermore, CA 94551	4941 Pacheco Blvd, Martinez, CA 94553	4558 Contractors Place, Livermore, CA 94551	2490 American Avenue, Hayward, CA 94545
	Phone No. (714) 935-1199	Phone No. (415) 453-4675	Phone No. (925) 449-4020	Phone No. (925) 387-8913	Phone No. (925) 443-4200	Phone No. (510) 782-6065

ITEM NO.	SPEC. SECTION	ITEM DESCRIPTION	EST. QUANTITY	UNIT	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
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1	10-1.08	Mobilization	1	LS	\$10,000.00	\$ 10,000.00	\$24,000.00	\$ 24,000.00	\$39,900.00	\$ 39,900.00	\$6,200.00	\$ 6,200.00	\$18,000.00	\$ 18,000.00	\$3,400.00	\$ 3,400.00	\$10,000.00	\$ 10,000.00
2	10-1.12	Traffic Control	1	LS	7,500.00	\$ 7,500.00	10,000.00	\$ 10,000.00	8,500.00	\$ 8,500.00	45,352.00	\$ 45,352.00	7,500.00	\$ 7,500.00	5,000.00	\$ 5,000.00	20,000.00	\$ 20,000.00
3	10-1.13	Demolition - Concrete & Pavers Removal, including multiple subbases	550	CY	18.00	\$ 9,900.00	60.00	\$ 33,000.00	58.00	\$ 31,900.00	118.00	\$ 64,900.00	30.00	\$ 16,500.00	132.00	\$ 72,600.00	75.00	\$ 41,250.00
4	10-1.15	Construction and Demolition Waste Management	550	CY	15.00	\$ 8,250.00	12.50	\$ 6,875.00	3.00	\$ 1,650.00	1.00	\$ 550.00	10.00	\$ 5,500.00	3.00	\$ 1,650.00	17.00	\$ 9,350.00
5	10-1.13	Tree Removal	8	EA	2,600.00	\$ 20,800.00	500.00	\$ 4,000.00	700.00	\$ 5,600.00	1,376.00	\$ 11,008.00	1,800.00	\$ 14,400.00	2,000.00	\$ 16,000.00	1,700.00	\$ 13,600.00
6	10-1.16	Tree Protection Fencing & Signage	1	LS	3,870.00	\$ 3,870.00	1,000.00	\$ 1,000.00	2,000.00	\$ 2,000.00	1,440.00	\$ 1,440.00	2,500.00	\$ 2,500.00	2,000.00	\$ 2,000.00	3,000.00	\$ 3,000.00
7	10-1.13	Clearing & Grubbing including Abandoned Irrigation Debris	10,420	SF	0.50	\$ 5,210.00	0.10	\$ 1,042.00	0.20	\$ 2,084.00	1.75	\$ 18,235.00	1.50	\$ 15,630.00	0.90	\$ 9,378.00	0.50	\$ 5,210.00
8	Plan Sheet L-9	Boring & Sleeves	162	LF	85.00	\$ 13,770.00	50.00	\$ 8,100.00	44.00	\$ 7,128.00	42.00	\$ 6,804.00	65.00	\$ 10,530.00	140.00	\$ 22,680.00	197.00	\$ 31,914.00
9	10-1.17	Modified Concrete Curb	2,680	LF	60.00	\$ 160,800.00	39.00	\$ 104,520.00	31.80	\$ 85,224.00	37.00	\$ 99,160.00	25.00	\$ 67,000.00	27.00	\$ 72,360.00	27.00	\$ 72,360.00
10	10-1.17	Concrete Paving - Median Noses & Concrete Edging at Pavers	60	SF	20.00	\$ 1,200.00	80.00	\$ 4,800.00	65.00	\$ 3,900.00	50.00	\$ 3,000.00	90.00	\$ 5,400.00	26.00	\$ 1,560.00	67.00	\$ 4,020.00
11	10-1.17	Pavers	430	SF	16.00	\$ 6,880.00	50.00	\$ 21,500.00	18.00	\$ 7,740.00	25.00	\$ 10,750.00	55.00	\$ 23,650.00	26.00	\$ 11,180.00	32.00	\$ 13,760.00
12	10-1.17	Imported Topsoil	1,040	CY	50.00	\$ 52,000.00	65.00	\$ 67,600.00	55.00	\$ 57,200.00	50.00	\$ 52,000.00	80.00	\$ 83,200.00	90.00	\$ 93,600.00	78.00	\$ 81,120.00
13	10-1.18	Root Barriers	780	LF	3.00	\$ 2,340.00	8.00	\$ 6,240.00	7.00	\$ 5,460.00	7.50	\$ 5,850.00	14.00	\$ 10,920.00	14.00	\$ 10,920.00	12.00	\$ 9,360.00
14	10-1.19	Irrigation System	1	LS	48,000.00	\$ 48,000.00	65,000.00	\$ 65,000.00	101,318.00	\$ 101,318.00	48,500.00	\$ 48,500.00	115,000.00	\$ 115,000.00	84,000.00	\$ 84,000.00	143,000.00	\$ 143,000.00
15	10-1.18	Soil Preparation & Fine Grading	9,930	SF	0.50	\$ 4,965.00	0.50	\$ 4,965.00	0.30	\$ 2,979.00	0.75	\$ 7,447.50	1.00	\$ 9,930.00	0.60	\$ 5,958.00	1.00	\$ 9,930.00
16	10-1.16	Mulch	9,930	SF	0.45	\$ 4,468.50	0.85	\$ 8,440.50	0.40	\$ 3,972.00	1.10	\$ 10,923.00	1.00	\$ 9,930.00	0.90	\$ 8,937.00	1.70	\$ 16,881.00
17	10-1.18	Trees, 24" Box	46	EA	300.00	\$ 13,800.00	400.00	\$ 18,400.00	400.00	\$ 18,400.00	517.00	\$ 23,782.00	610.00	\$ 28,060.00	600.00	\$ 27,600.00	350.00	\$ 16,100.00
18	10-1.18	Shrubs, 5-Gallon	100	EA	24.00	\$ 2,400.00	30.00	\$ 3,000.00	30.00	\$ 3,000.00	132.50	\$ 13,250.00	65.00	\$ 6,500.00	54.00	\$ 5,400.00	50.00	\$ 5,000.00
19	10-1.18	Shrubs, 1-Gallon	330	EA	14.00	\$ 4,620.00	10.00	\$ 3,300.00	11.00	\$ 3,630.00	28.00	\$ 9,240.00	14.00	\$ 4,620.00	24.00	\$ 7,920.00	31.00	\$ 10,230.00
20	10-1.18	90-Day Maintenance	1	LS	2,500.00	\$ 2,500.00	2,000.00	\$ 2,000.00	4,904.00	\$ 4,904.00	4,500.00	\$ 4,500.00	3,000.00	\$ 3,000.00	2,600.00	\$ 2,600.00	8,000.00	\$ 8,000.00
21	10-1.23	Recycling Implementation	1	LS	750.00	\$ 750.00	1,300.00	\$ 1,300.00	3,500.00	\$ 3,500.00	430.00	\$ 430.00	1,500.00	\$ 1,500.00	570.00	\$ 570.00	1,000.00	\$ 1,000.00

\$ 384,023.50

\$ 399,082.50

\$ 399,989.00

\$ 443,321.50

\$ 459,270.00

\$ 465,313.00

\$ 525,085.00



# CITY OF HAYWARD

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

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**File #:** CONS 21-037

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** CIO/Director of Information Technology

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with Contra Costa Electric for Fiber Optic Installation Services in an Amount of \$76,827, Increasing the Total Contract to an Amount Not to Exceed \$331,669

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an amendment to the professional services agreement with Contra Costa Electric for fiber optic installation services in an amount of \$76,827, increasing the total contract to an amount not to exceed \$331,669.

**SUMMARY**

Resolution No. 20-170 was passed by Hayward City Council on October 6, 2020 to authorize contracting with Contra Costa Electric (CCE) to pull new fiber optic cables from City Hall to Hesperian Boulevard. On this fiber pathway, unexpected water damaged conduit was found on the Winton Avenue traffic bridge near Soto Road, which has prevented pulling the new fiber through without damaging existing fiber. As a result, this project cannot continue without installing a new conduit pathway. CCE worked with the Public Works Department to find the most cost-effective solution, which includes saw cutting and removing 240 linear foot of the sidewalk curb, installing a new conduit pathway, and then re-pouring the removed section. The quote for the additional work is \$76,827 and will increase the project total from the \$254,842 previously authorized in Resolution No. 20-170 to the new proposed total of \$331,669.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** CIO/Director of Information Technology

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Agreement with Contra Costa Electric for Fiber Optic Installation Services in an Amount of \$76,827, Increasing the Total Contract to an Amount Not to Exceed \$331,669

**RECOMMENDATION**

That the Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an amendment to the professional services agreement with Contra Costa Electric for fiber optic installation services in an amount of \$76,827, increasing the total contract to an amount not to exceed \$331,669.

**SUMMARY AND DISCUSSION**

Resolution No. 20-170 was passed by Hayward City Council on October 6, 2020 to authorize contracting with Contra Costa Electric (CCE) to pull new fiber optic cables from City Hall to Hesperian Boulevard. On this fiber pathway, unexpected water damaged conduit was found on the Winton Avenue traffic bridge near Soto Road, which has prevented pulling the new fiber through without damaging existing fiber. As a result, this project cannot continue without installing a new conduit pathway. CCE worked with the Public Works Department to find the most cost-effective solution, which includes sawcutting and removing 240 linear foot of the sidewalk curb, installing a new conduit pathway, and then re-pouring the removed section. The quote for the additional work is \$76,827 and will increase the project total from the \$254,842 previously authorized in Resolution No. 20-170 to the new proposed total of \$331,669.

**STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Infrastructure. This item is not specifically related to a project identified in the Strategic Roadmap. Staff brought the original item forth at the October 6, 2020 City Council meeting and the original item was passed by City Council.

## **FISCAL IMPACT**

The cost of this service agreement with CCE will not exceed \$331,669 and this expense is included in the City's FY 2021 CIP Budget.

## **NEXT STEPS**

If Council authorizes the amended resolution, staff will work with CCE to continue this network infrastructure project.

*Prepared by:* Carolyn Saputo, IT Manager - Infrastructure

*Recommended by:* Adam Kostrzak, Chief Information Officer

Approved by:

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

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO.

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

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD  
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN  
AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF HAYWARD AND  
CONTRA COSTA ELECTRIC FOR FIBER OPTIC INSTALLATION SERVICES

WHEREAS, the City currently utilizes City-owned fiber optic cable for communications, traffic signals, and Internet services and upgrading this technology is critical to maintaining a secure, fast, and reliable communication network for daily operation of the City; and

WHEREAS, the main portion of the City's fiber optic cables were installed in the 1980s and run from City Hall down Winton Avenue to Hesperian Boulevard connecting several City facilities; and

WHEREAS, the City's fiber optic cables have been impacted by changes to the fiber optic network and exposure to elements; and

WHEREAS, during Fiscal Year 2020, a fiber asset audit was completed which identified the need for immediate action to replace the fiber optic cables running from City Hall down Winton Avenue to Hesperian Boulevard; and

WHEREAS, the project will upgrade the fiber-optic cables and will also improve reliability, network capacity, and backup options; and

WHEREAS, on October 6, 2020, the Council adopted Resolution 20-170 authorizing the City Manager to enter into an Agreement with Contra Costa Electric (CCE) for Fiber Optic Installation Services in an amount not to exceed \$254,842; and

WHEREAS, following the start of work on this project an unexpected water damaged conduit was found on the Winton traffic bridge near Soto Road that prohibits continuation of the project unless a new conduit pathway is installed; and

WHEREAS, an amendment to the existing agreement with CCE is needed to perform additional work to resolve the unexpected damaged conduit and complete the project; and

WHEREAS, the amendment will increase the contract amount by \$76,827 for a total contract amount not-to-exceed \$331,669.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward authorizes and directs the City Manager to negotiate and execute an amendment to the Agreement between the City of Hayward and Contra Costa Electric in an amount of \$76,827 increasing the total not to exceed amount to \$331,669, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# CITY OF HAYWARD

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

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**File #:** CONS 21-044

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt a Resolution Authorizing the City Manager to Accept a \$75,000 Grant for Patrick Avenue Improvements Phase 2 and Execute a Funding Agreement with the Alameda County Transportation Commission from the COVID-19 Rapid Response Bicycle/Pedestrian Grant Program

**RECOMMENDATION**

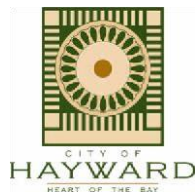
That Council adopts a resolution (Attachment II) accepting grant funds from the COVID-19 Rapid Response Bicycle/Pedestrian Grant Program (Grant) and executing a funding agreement with the Alameda County Transportation Commission (Alameda CTC) in the amount of \$75,000 for the implementation of the Patrick Avenue Improvements Phase 2 Project and appropriate up to \$150,922 from the Measure BB Bicycle and Pedestrian Capital Improvement Fund (Fund 213) for the implementation of the Project.

**SUMMARY**

The City has been successful in obtaining funding from the COVID-19 Grant to fund the Patrick Avenue Improvements Project Phase 2, which includes installation of Rectangular Rapid Flashing Beacons (RRFBs), safe-hit delineator posts, and green bike lanes. Alameda CTC, the Grant sponsor, will fund up to \$75,000 of the total project cost of \$150,922. The remaining \$75,922 is reimbursable through the City's Transportation Development Act Article 3 Grant Project No. 05307, which is provided by the Metropolitan Transportation Commission (MTC) and administered by Alameda CTC. The Phase 2 project would enable the City to complete the Patrick Avenue Improvement Project and make it more functional, safer, and easier to use by both residents and bicycle users.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Accept a \$75,000 Grant for Patrick Avenue Improvements Phase 2 and Execute a Funding Agreement with the Alameda County Transportation Commission from the COVID-19 Rapid Response Bicycle/Pedestrian Grant Program

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) accepting grant funds from the COVID-19 Rapid Response Bicycle/Pedestrian Grant Program (Grant) and executing a funding agreement with the Alameda County Transportation Commission (Alameda CTC) in the amount of \$75,000 for the implementation of the Patrick Avenue Improvements Phase 2 Project and appropriate up to \$150,922 from the Measure BB Bicycle and Pedestrian Capital Improvement Fund (Fund 213) for the implementation of the Project.

### **SUMMARY**

The City has been successful in obtaining funding from the COVID-19 Grant to fund the Patrick Avenue Improvements Project Phase 2, which includes installation of Rectangular Rapid Flashing Beacons (RRFBs), safe-hit delineator posts, and green bike lanes. Alameda CTC, the Grant sponsor, will fund up to \$75,000 of the total project cost of \$150,922. The remaining \$75,922 is reimbursable through the City's Transportation Development Act Article 3 Grant Project No. 05307, which is provided by the Metropolitan Transportation Commission (MTC) and administered by Alameda CTC. The Phase 2 project would enable the City to complete the Patrick Avenue Improvement Project and make it more functional, safer, and easier to use by both residents and bicycle users.

### **BACKGROUND**

On October 6, 2020, Council approved Resolution No. 20-051 approving low-cost complete street improvements for two projects identified in the Bicycle and Pedestrian Master Plan (BPMP) on Huntwood Avenue between Tennyson Road and Industrial Parkway, and Patrick Avenue between Tennyson Road and Schafer Road. These improvements include installing Class IV Separated Bike Lanes and lane reductions through striping improvements in conjunction with of the City's Annual Pavement Improvement Project.



Alameda CTC announced the availability of \$1.125 million in local Bicycle and Pedestrian Measure B sales tax funds for the deployment of a COVID-19 Grant to support Alameda County's economic recovery and regrowth from the impacts of COVID-19. Grant funds are designated for quick-build transportation improvement projects that support improved bicycle and pedestrian accessibility to local businesses.

The Grant goals are to:

- Create, expand, and improve bicycle/pedestrian access to local business, restaurants, and employment centers
- Restore local economic activity
- Promote physical social distancing, enhanced mobility, and open spacing along transportation corridors to business districts and employment centers
- Enhance public health through transportation improvements that mitigate the risk and spread of COVID-19

This funding opportunity offered eligible recipients a single, maximum grant award of up to \$75,000 for bicycle and pedestrian transportation improvements that achieve the program goals. Eligible jurisdictions that proposed projects with the required 50% matching funds received program funding.

## **DISCUSSION**

Staff requests approval to use the Alameda CTC COVID-19 Grant funds to install two RRFBs at two uncontrolled intersections at Patrick Avenue and St Bede Lane, and Patrick Avenue and Westwood Street, and a third RRFB at an existing mid-block crosswalk between the intersections of Patrick Avenue and Schafer Road, and Patrick Avenue and St Bede Lane (Figure A). RRFBs enhance safety by increasing driver awareness of potential pedestrian conflicts.

In addition, staff requests approval to install safe-hit delineator posts, green bike lanes, and bike symbol pavement marking (thermoplastic) to clearly separate bike lanes from traffic lanes on Patrick Avenue as part of the Phase 2 project. Protected bike lanes provide an additional sense of comfort, while colored pavement within a bicycle lane increases the visibility of the facility, identifies potential areas of conflict, and reinforces priority to bicyclists (Figure B). Safe-hit delineator posts and painted bike lanes increase safety to both vehicles and cyclists by separating the vehicular travel lanes, bike lanes, and parking lanes (Figure C).

Figure A: Proposed RRFBs at the intersections of Patrick Avenue and St. Bede Lane, and Patrick Avenue and Westwood Street, and mid-block between intersections of Patrick Avenue and Schafer Road, and Patrick Avenue and St Bede Lane



Figure B: Safe-hit delineator posts and painted bike lanes



Figure C: Rectangular Rapid Flashing Beacons (RRFB)



## ECONOMIC IMPACT

Active transportation options like bicycling and walking foster economic health by creating dynamic, connected communities with a high quality of life that helps support small business development, decreases transportation and healthcare costs, and increases property values, employment, and tourism. Providing alternate modes of travel reduces single lane occupancy vehicles and reduces congestion and costs related to automobile-oriented infrastructure maintenance and construction. The overall transportation system will be more efficient; thus, reducing travel time. Moreover, the City will become a more pedestrian- and bicycle-friendly community, thus creating positive economic and health benefits and reduction of greenhouse gas emissions.

## FISCAL IMPACT

The total project budget is \$150,922, which will be initially appropriated from the Measure BB Bicycle and Pedestrian Capital Improvement Fund (Fund 213) fund balance. However, this project will have no net fiscal impact on the fund, since \$75,000 of the project cost will be reimbursed via the COVID-19 Rapid Response Bicycle/Pedestrian Grant, and \$75,922 will be reimbursed utilizing TDA Article 3 Funds.

The estimated project costs are as follows:

COVID-19 Rapid Response Grant	\$75,000
TDA Article 3 Grant (Project No. 05307)	\$75,922

**Total Construction Cost****\$150,922**

There is sufficient funding in Fund 213 for the proposed appropriation.

**STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project(s):

- Project 8, Part 8b.    Implement the Bicycle and Pedestrian Master Plan; Add 10 lane miles of bike lanes per year.
- Project 8, Part 8c.    Implement the Bicycle and Pedestrian Master Plan; Assess Safe Routes to School
- Project 8, Part 8d.    Implement the Bicycle and Pedestrian Master Plan; Implement Safe Routes to School

**SUSTAINABILITY FEATURES**

The action taken for this agenda report will result in supporting mobility goals established as part of the City's 2040 General Plan, providing for a balanced multi-modal system of transportation facilities and services in the City.

The plan will be a comprehensive effort that will guide, prioritize, and implement a network of quality bicycle and pedestrian facilities to improve mobility, connectivity, public health, physical activity, and recreational opportunities. By applying best practices, the plan will increase transportation options, reduce environmental impacts of the transportation system, and enhance the overall quality of life for residents. The goal of the project is to develop convenient transportation alternatives to motor vehicles for residents, visitors, shoppers, and commuters. The resulting reduction in single occupancy vehicles will reduce vehicle miles traveled and greenhouse gases.

This project completes the intended work for the Patrick Avenue Improvement project and provides an opportunity for the community to experience traffic calming and protected bicycle lanes improvements which would help transform Patrick Avenue into an equitable complete street.

**PUBLIC CONTACT**

Before any additional improvements are installed, staff will have a public meeting in February to allow for additional community input on the proposed project as well as feedback on the improvements already installed.

**NEXT STEPS**

If Council approves this request, the City Manager will execute a grant funding agreement with Alameda CTC to begin this Project, with installation of RRFBs anticipated to be completed in late March 2021.

*Prepared by:* Dr. Ayeh Khajouei, Associate Transportation Planner

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

Approved by:

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

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT \$75,000 IN GRANT FUNDING FROM THE ALAMEDA COUNTY TRANSPORTATION COMMISSION AND \$75,922 FROM THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) FOR THE PATRICK AVENUE COMPLETE STREET PHASE 2 PROJECT, PROJECT 05317; AND TO APPROPRIATE UP TO \$150,922 FROM THE CITY'S MEASURE BB BICYCLE AND PEDESTRIAN CAPITAL IMPROVEMENT FUND (FUND 213) FOR THE PROJECT

WHEREAS, the Alameda County Transportation Commission (Alameda CTC) selected the City of Hayward's Patrick Avenue Complete Street Phase 2 Project, Project 05317, as an awardee of its COVID-19 Rapid Response Bicycle/Pedestrian Grant Program; and

WHEREAS, the total project budget included in the grant application was \$150,922, with close to 50% of the budget, or up to \$75,000, reimbursable by Alameda CTC through the COVID-19 Rapid Response Grant, and the remaining \$75,922 reimbursable through the City's TDA Article 3 fund balance, which is provided by the Metropolitan Transportation Commission (MTC) and administered by Alameda CTC; and

WHEREAS, the Metropolitan Transportation Commission previously adopted MTC Resolution No. 875, entitled "Transportation Development Act, Article 3, Pedestrian and Bicycle Project," through which the City of Hayward was approved to receive a total of \$508,236 for the Patrick Avenue and Gading Road Complete Street Project, Project No. 05307; and

WHEREAS, the \$75,922 in TDA Article 3 funds that will be contributed to the Patrick Avenue Complete Street Phase 2 Project, Project 05317, will be provided in addition to the original \$508,236 approved amount; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to accept up to \$75,000 from the Alameda CTC COVID-19 Rapid Response Bicycle/Pedestrian Grant Program, and up to \$75,922 in MTC TDA Article III grant funds, for use in the Patrick Avenue Complete Street Phase two Project, Project 05317.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to appropriate a total of \$150,922 from the City's Measure BB Bicycle and Pedestrian Capital Improvement Fund (Fund 213) for use in the Patrick Avenue Improvements Phase Two Project.

IN COUNCIL, HAYWARD, CALIFORNIA 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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





# CITY OF HAYWARD

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

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**File #:** CONS 21-045

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Adopt a Resolution Approving a One-Year Extension of Citywide Community Workforce Agreement with the Building and Construction Trades Council of Alameda County

**RECOMMENDATION**

That Council adopts the attached resolution (Attachment II) authorizing the City Manager to execute a one-year extension to the Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC).

**SUMMARY**

Staff is recommending that Council approve a one-year extension of the existing CWA with the BTC to provide time for Council input on a new agreement and subsequent negotiations with the BTC.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution





**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving a One-Year Extension of Citywide Community Workforce Agreement with the Building and Construction Trades Council of Alameda County

## **RECOMMENDATION**

That Council adopts the attached resolution (Attachment II) authorizing the City Manager to execute a one-year extension to the Community Workforce Agreement (CWA) with the Alameda County Building Trades Council (BTC).

## **SUMMARY**

Staff is recommending that Council approve a one-year extension of the existing CWA with the BTC to provide time for Council input on a new agreement and subsequent negotiations with the BTC.

## **BACKGROUND**

Over the years, CWAs have been utilized in the construction industry to assure that labor issues related to major construction projects are minimized and to help accomplish local hiring and apprenticeship goals. CWAs are a type of collective pre-hire bargaining agreement between project managers or owners and organized labor that outline a variety of employment and other working conditions with the express purpose of providing peaceful settlement of labor disputes and grievances without work stoppages, strikes, or lockouts; thereby allowing for the timely and cost-effective completion of projects. It is noteworthy that there has never been a work stoppage or strike on any City projects in recent history.

In April 2015<sup>1</sup>, the Council directed staff to negotiate and execute a CWA with the BTC for the new main library. That agreement includes the following types of provisions:

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<sup>1</sup> <https://hayward.legistar.com/MeetingDetail.aspx?ID=454174&GUID=F3A52681-D58E-4A0C-BA83-84F8A581A981&Options=info|&Search=>

- Requirements that the contractor and subcontractors on the project use local union hiring halls to hire trades workers for the projects;
- “Local Hire” provisions, encouraging the contractor to employ Hayward residents or Hayward Unified School District graduates;
- Requirements that all hired workers pay union dues and receive other benefit trust fund contributions;
- Management rights regarding employment procedures, including hiring, discipline, etc.;
- Grievance and arbitration procedures to allow for timely resolution of disputes;
- Standardized work rules and regulations; and
- Provisions governing requirements around apprenticeships.

At Council’s direction, staff brought forward an item on February 23, 2016<sup>2</sup> that allowed for the discussion of creating a “Citywide” CWA that could apply to a broader scope of projects within the community. Staff received policy direction from the Council at that meeting regarding how a Citywide CWA might be structured. Subsequently, staff negotiated a CWA with the BTC, which included an effective date of July 6, 2017. Below is a summary of the key elements of the final negotiated CWA:

- 1) The Citywide CWA only applies to City projects where the construction cost of the project exceeds one million dollars (\$1,000,000) based on the Engineer’s Estimate.
- 2) The Citywide CWA does not apply to private development projects or to projects awarded/managed by another third-party public agency where the City has contributed funding.
- 3) The City retains the ability to exempt certain specialty or unique projects from the CWA requirements as needed and upon approval by the Council. Staff and the BTC would first meet in good faith to discuss the exemption. However, if the parties fail to reach a consensus, staff would be able to bring the project to the Council for review and consideration.
- 4) During the duration of the Projects, the Union(s) and its members, agents, representatives and employees shall not incite, encourage, condone, or participate in any strike, walkout, slowdown, sit-down, stay-in, boycott, wobble, sympathy strike, picketing

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<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=2574917&GUID=CA735E50-7832-4222-BC26-F99567B99389&Options=&Search=>

or other work stoppage or handbilling of any nature whatsoever, for any cause whatsoever (including jurisdictional disputes), and it is expressly agreed that any such action is a violation of the agreement.

- 5) A Joint Administrative Committee (JAC) comprised of two City representatives, two Union representatives, and one construction industry representative was established to review the implementation of the agreement and the progress of the projects. The JAC has the responsibility of monitoring the local hire and apprentice provisions of the agreement.
- 6) The agreement contains a goal that Hayward residents, and especially HUSD graduates, will perform a minimum of thirty (30%) percent of the hours worked on a craft-by-craft basis on the covered projects. Contractors shall make good faith efforts to reach the Local Hire Goal through the utilization of the Union's hiring hall procedures. The Unions shall make good faith efforts in their recruiting and training of Hayward Resident workers and in their hiring hall procedures to facilitate the Local Hire Goal on the Projects. The parties shall cooperate to establish or support a pre-apprenticeship/internship program for HUSD graduates. If a Contractor fails to meet the Local Hire Goal or demonstrate a good faith effort, there will be a ten (10%) percent contract retention withheld until the Local Hire Goal is remedied. Acceptable remedies include commitment to employ Hayward residents on non-City projects or acceptance of Hayward residents as new apprentices.

Contractors will be required under the agreement to hire one Hayward resident as a New Apprentice for the first one million dollars (\$1,000,000) of construction costs with one additional apprentice for every \$5 million dollars (\$5,000,000) thereafter and with an assignment of a maximum of two New Apprentices to any one craft. A minimum of 50% of the applicable Apprentice hours on any project must be worked by the Hayward New Apprentice.

The BTC has also agreed to facilitate and encourage enrollment of least ten (10) Hayward residents or HUSD graduates into State approved Labor-Management Apprenticeship programs during each year of the agreement term and facilitate placing them on a job site.

## **DISCUSSION**

The City's existing CWA with the BTC expired three years from the original effective date on July 6, 2020. Staff continued to implement the terms of the expired CWA between July 2020 and the present date. Staff is requesting that Council approve a one-year extension of the CWA to July 6, 2021 (with one 6-month extension) to allow time for City staff and the BTC to discuss any modifications and potentially draft a new CWA for Council's review and feedback. This extension will also allow time for staff to prepare an analysis of the current CWA, which would be presented to Council at a work session prior to negotiating a successor CWA. This work session would also provide Council with an opportunity for input

into the terms of the successor CWA. Staff would subsequently incorporate Council's comments and direction and return with a new CWA for consideration.

### **ECONOMIC AND FISCAL IMPACT**

There has been much debate over the years regarding the fiscal impacts of CWAs and their potential benefits (i.e., smoother management/labor relationships, increased local hiring, and improved pay and benefits to workers over and above that of a prevailing wage job). Prior staff reports to Council have provided detail regarding project cost implications.

### **ENVIRONMENTAL REVIEW**

Staff has determined that this action is statutorily exempt from analysis under the California Environmental Quality Act (CEQA) for the reason that it is not a project. CEQA Guidelines, Section 15378(b)(5), states that a project does not include "Organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment." CEQA review will be completed separately for individual Public Works' projects subject to the Citywide CWA.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to one of the Council's six Strategic Priorities

### **SUSTAINABILITY FEATURES**

The action taken for this agenda report will not result in physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon future Council action.

### **NEXT STEPS**

Following Council action, the City Manager will prepare and execute the extension of the existing CWA with the BTC and commence discussions with the BTC on a new updated CWA for future Council consideration.

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

*Approved by:*



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Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION AUTHORIZING THE EXTENSION OF THE EXISTING COMMUNITY  
WORKFORCE AGREEMENT WITH THE ALAMEDA COUNTY BUILDING TRADES  
COUNCIL

WHEREAS, the City Council has expressed a strong desire to ensure labor peace during the construction of City public works projects; and

WHEREAS, the City Council has long been a solid supporter of labor rights, fair wages, and the creation of quality jobs in the community; and

WHEREAS, charter cities, like Hayward, have much more latitude to establish local bidding criteria to address other legitimate municipal concerns, such as to promote the hiring of local residents or the support of local business where possible; and

WHEREAS, the City Council over the last few years has expressed interest in being even more proactive regarding assuring quality wages on all City construction projects, supporting and procuring from local businesses, and protecting and increasing quality jobs for local residents; and

WHEREAS, the City and the Alameda County Building Trades Council have executed a citywide Community Workforce Agreement that expired on July 6, 2020; and

WHEREAS, the citywide Community Workforce Agreement will now expire on July 6, 2021, with an option for one six-month extension to December 6, 2021.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves a one-year extension of the citywide Community Workforce Agreement.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:            COUNCIL MEMBERS:  
                     MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# CITY OF HAYWARD

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

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**File #:** CONS 21-055

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**DATE:** January 26, 2021  
**TO:** Mayor and Council  
**FROM:** Director of Public Works  
**SUBJECT**

Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Kittelson & Associates, Inc. for Additional Design Services Related to the Bicycle and Pedestrian Master Plan in an Amount of \$89,000 for a Total Not-to-Exceed Contract Amount of \$388,416

## RECOMMENDATION

That Council approves the attached resolution (Attachment II) authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement (PSA) with Kittelson & Associates, Inc., (Kittelson) in the amount of \$89,000 increasing the total contract to a not-to-exceed amount of \$388,416 for additional design-related services, and appropriating additional funds from the Measure B (Pedestrian and Bicycle) Fund (Fund 216).

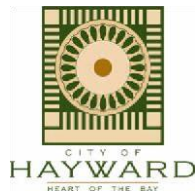
## SUMMARY

On January 26, 2017, the City entered into a PSA with Kittelson in the amount of \$299,416 to prepare the City's updated 2020 Bicycle and Pedestrian Master Plan (BPMP), which was approved on September 29, 2020.

On October 6, 2020, Council approved Resolution No. 20-051 related to the implementation of Patrick Avenue Improvements Phase I, a low-cost complete street improvement identified in the 2020 BPMP on Patrick Avenue between Tennyson Road and Schafer Road. These improvements included the installation of Class IV separated bike lanes and lane reductions through striping improvements as part of the City's Annual Pavement Improvement Project. With additional detailed design from Kittelson, staff intends to supplement the Phase I Patrick Avenue Improvement Project with green bike lanes, safe-hit posts, and Rectangular Rapid Flashing Beacons (RRFBs). An amendment to the existing agreement with Kittelson is recommended for these increased design services and, if approved, would increase the contract by \$89,000 for a total amount not-to-exceed \$388,416.

## ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Scope of Work



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Approving an Amendment to the Professional Services Agreement with Kittelson & Associates, Inc. for Additional Design Services Related to the Bicycle and Pedestrian Master Plan in an Amount of \$89,000 for a Total Not-to-Exceed Contract Amount of \$388,416

## **RECOMMENDATION**

That Council approves the attached resolution (Attachment II) authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement (PSA) with Kittelson & Associates, Inc., (Kittelson) in the amount of \$89,000 increasing the total contract to a not-to-exceed amount of \$388,416 for additional design-related services, and appropriating additional funds from the Measure B (Pedestrian and Bicycle) Fund (Fund 216).

## **SUMMARY**

On January 26, 2017, the City entered into a PSA with Kittelson in the amount of \$299,416 to prepare the City's updated 2020 Bicycle and Pedestrian Master Plan (BPMP), which was approved on September 29, 2020<sup>1</sup>.

On October 6, 2020<sup>2</sup>, Council approved Resolution No. 20-051 related to the implementation of Patrick Avenue Improvements Phase I, a low-cost complete street improvement identified in the 2020 BPMP on Patrick Avenue between Tennyson Road and Schafer Road. These improvements included the installation of Class IV separated bike lanes and lane reductions through striping improvements as part of the City's Annual Pavement Improvement Project. With additional detailed design from Kittelson, staff intends to supplement the Phase I Patrick Avenue Improvement Project with green bike lanes, safe-hit posts, and Rectangular Rapid Flashing Beacons (RRFBs). An amendment to the existing agreement with Kittelson is recommended for these increased design services and, if approved, would increase the contract by \$89,000 for a total amount not-to-exceed \$388,416.

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4651315&GUID=60A6C8FA-115C-4E4F-89A0-24934AE3B28C&Options=&Search=>

<sup>2</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4656511&GUID=4D8DACAF-9E2C-4EFF-9036-AF924D119EEF&Options=&Search=>



## **BACKGROUND**

Council has taken several actions to develop policy to ensure that the City builds streets that are safe and convenient for all modes of travel regardless of age or ability. The focus of City policy and the BPMP is to accommodate all road users, including motorists, pedestrians, bicyclists, and transit riders. The Patrick Avenue Improvement Project relies upon policies, such as the Mobility Element in the Hayward 2040 General Plan, the Complete Streets Policy adopted in 2013, the Complete Streets Strategic Initiative adopted in 2017, and the Strategic Roadmap Priority for Improving Infrastructure adopted in January 2020.

The adopted 2020 BPMP emphasizes pedestrian modes of travel and sets forth detailed goals and objectives that provide a universally accessible, safe, convenient, and integrated system that promotes both walking and biking. The BPMP provides near- and long-term investment infrastructure solutions, as well as programmatic, educational, and enforcement recommendations.

The BPMP scope was expanded to include additions and revisions to the plan. Kittelson completed additional work prior to the adoption of the final BPMP, which included development of a road diet policy, preparation of social media content, revisions to the existing and proposed bikeway map to address stakeholder comments, and coordination with the Hayward Area Recreation and Park District (HARD).

## **DISCUSSION**

The Patrick Avenue Improvement Project is split into two phases to optimize limited funding. The Phase I Improvements were completed, in conjunction with the Pavement Improvement Project and included minimum striping requirements for a Class IV separated bicycle facility. The Phase II Project would be completely funded through an Alameda County Transportation Commission (Alameda CTC) sponsored grant that includes enhancements for clearly defining the roadway and the new separated bicycle facility.

The additional design services and tasks are described in the scope of work provided in Attachment III, which include a review of the conditions after the Phase I implementation, and design of the RRFBs. The proposed Phase II improvements consist of green bike lanes, striped parking end caps, safe-hit posts, and RRFBs. The green bike lanes will distinguish lane assignments on the roadway, in addition to the painted white lines. The safe-hit channelizers will reinforce the roadway assignments by creating a vertical separation between vehicles and bicycles when installed within the buffer zones that were installed as part of Phase I. The horizontal and vertical reminders will help educate the public on how to use and benefit from the new improvements. These additional design services increase the contract by \$89,000 for a total amount not-to-exceed amount of \$388,416.

## **ECONOMIC IMPACT**

Active transportation options like bicycling and walking foster economic health by creating dynamic, connected communities with a high quality of life that helps support small business development, decreasing transportation and healthcare costs, and increasing property values, employment, and tourism. Providing alternate modes of travel reduces single lane occupancy vehicles, reduces congestion and costs related to automobile-oriented infrastructure maintenance and construction. The overall transportation system will be more efficient; thus, reducing travel time. Moreover, the City will become a more pedestrian- and bicycle-friendly community, thus creating positive economic and health benefits and reduction of greenhouse gas emissions.

## **FISCAL IMPACT**

If approved, the amendment amount of \$89,000 will be appropriated from the City's Measure B (Pedestrian and Bicycle) Fund (Fund 216).

## **STRATEGIC ROADMAP**

The action taken for this agenda item supports the Strategic Priority of Improving Infrastructure. Specifically, this item relates to the implementation of the following project(s):

- |             |                                                  |
|-------------|--------------------------------------------------|
| Project 8.  | Implement the Bicycle and Pedestrian Master Plan |
| Project 8b. | Add 10 miles of bike lanes per year              |
| Project 8c. | Assess Safe Routes to School                     |
| Project 8d. | Implement Safe Routes to School                  |

## **SUSTAINABILITY FEATURES**

The action taken for this agenda report will result in supporting mobility goals established as part of the City's 2040 General Plan, providing for a balanced multi-modal system of transportation facilities and services in the City.

This is a comprehensive effort that will guide, prioritize, and implement a network of quality bicycle and pedestrian facilities to improve mobility, connectivity, public health, physical activity, and recreational opportunities. By applying best practices, this action item will increase transportation options, reduce environmental impacts of the transportation system, and enhance the overall quality of life for residents. The goal of the project is to develop convenient transportation alternatives to motor vehicles for residents, visitors, shoppers, and commuters. The resulting reduction in single occupancy vehicles will reduce vehicle miles traveled and greenhouse gases.

## **PUBLIC CONTACT**

Before any additional improvements are installed on Patrick Avenue, staff will have a public meeting in February to allow for additional community input on the proposed project as well as feedback on the improvements already installed.

## **NEXT STEPS**

January 2021	Complete design of Phase II striping improvements
February 2021	Community Meeting
February 2021	Implementation of striping modifications through green bike lanes and parking end caps and installation of vertical separation through safe-hit posts for Patrick Ave
	Improvements Phase II
March 2021	Procurement of Rectangular Rapid Flashing Beacons for Patrick Ave Improvements Phase II
June 2021	Complete design of Rectangular Rapid Flashing Beacons

*Prepared by:* Charmine Solla, Senior Transportation Engineer

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

*Approved by:*



---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 21-

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

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 INCREASING THE PROFESSIONAL SERVICES AGREEMENT WITH KITTELSON & ASSOCIATES, INC. FOR THE BICYCLE AND PEDESTRIAN MASTER PLAN BY \$89,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$388,416, AND APPROPRIATING FUNDS FROM FUND 216

WHEREAS, the 2020 Bicycle and Pedestrian Master Plan updates and replaces the City's 2007 Bicycle Master Plan; and

WHEREAS, the Bicycle and Pedestrian Master Plan includes both a bicycle and pedestrian emphasis and sets forth detailed goals and objectives that provide an accessible, safe, convenient, and integrated system promoting both walking and biking in the Hayward community; and

WHEREAS, the Bicycle and Pedestrian Master Plan was adopted on September 29, 2020 per Resolution No. 20-050; and

WHEREAS, the City of Hayward and Kittelson & Associates, Inc., want to amend the scope of the professional services agreement that was executed on January 26, 2017; and

WHEREAS, an amendment to the existing agreement with Kittelson & Associates, Inc., is needed for additional design scope of work; and

WHEREAS, the amendment will increase the contract amount by \$89,000 for a total contract amount not-to-exceed \$388,416.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute the amendment as described herein, with Kittelson & Associates, Inc., in the name of and behalf of the City of Hayward, in a form to be approved by the City Attorney.

BE IT FURTHER RESOLVED that the City Manger is hereby authorized to appropriate \$89,000 from the Measure B (Pedestrian and Bicycle) Fund (Fund 216) for use in this Amendment for the Bicycle and Pedestrian Master Plan.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



December 23, 2020

Project #: 21775

Charmine Solla, PE, TE, PTOE  
City of Hayward

RE: Hayward Bicycle and Pedestrian Master Plan – Amendment #1

Dear Charmine:

This letter formally requests your authorization of an additional \$82,800 in fees and \$6,200 in reimbursable expenses for services associated with our firms' continued involvement in the Bicycle and Pedestrian Master Plan project.

Please review the attached AMENDMENT #1 to the Professional Services Agreement. If AMENDMENT #1 is satisfactory, please return a signed copy electronically. One executed original will be returned for your records. If you have any comments or questions, please do not hesitate to call.

Sincerely,

**KITTELSON & ASSOCIATES, INC.**

A handwritten signature in blue ink, appearing to read 'A. Leahy'.

Project Manager  
Amanda Leahy, AICP  
Associate Planner

A handwritten signature in blue ink, appearing to read 'Laurence Lewis'.

Project Principal  
Laurence Lewis, AICP/LEED AP  
Principal Planner

## AMENDMENT #1 TO PROFESSIONAL SERVICES AGREEMENT

**PROJECT #:** 21775

**PROJECT NAME:** Hayward Bicycle and Pedestrian Master Plan

**PROJECT BUDGET:** As of December 23, 2020

Current Authorized Amount	\$299,416
Amendment	\$89,000
Total Authorized Amount	\$388,416

\* Does not include direct costs associated with land survey for Task 3: Patrick Avenue Pedestrian Crossing Improvements

### **AUTHORIZATION:**

This Amendment #1 ("AMENDMENT #1") hereby amends that certain Professional Services Agreement with an EFFECTIVE DATE of 1/26/2017 (the "AGREEMENT"), and any prior amendments, by (1) authorizing KITTELSON & ASSOCIATES, INC. to perform services in addition to those services described in **Part "A"** of the AGREEMENT (See attached Amendments to Part "A") and (2) increasing the **Current Authorized Amount** (shown above) to an amount not to exceed the **Total Authorized Amount** shown above. Except as otherwise stated in this AMENDMENT #1, the terms, conditions and provisions of the AGREEMENT remain in full force and effect. All capitalized terms not otherwise defined in this AMENDMENT #1 shall have the meanings set forth in the AGREEMENT.

Accepted for:

**City of Hayward**

Approved for:

**KITTELSON & ASSOCIATES, INC.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## AMENDMENTS TO PART “A”

### SCOPE OF WORK

#### TASK 1: FINAL PLAN DOCUMENT AND STAKEHOLDER COORDINATION

This task includes the following work:

- Develop Road Diet Policy for inclusion in the Plan
- Support preparation of staff report and council presentation
- Prepare social media blast and website updates for Plan document posting
- Prepare draft and final Foreword materials/letters of support for inclusion in the Plan
- Incorporate revisions to the existing and proposed bikeway map to address stakeholder comments
- Participate in three coordination calls with HARD and Union City

#### TASK 2: PATRICK AVENUE DESIGN REVIEW

This task includes the following work:

- Conduct a field visit and document observations
- Review striping plan and develop recommended modifications
- Prepare signing and striping plan with three variations for Tennyson-Rieger segment
- Revise signing and striping plan to incorporate City comments and prepare final signing and striping plan for two concepts
- Provide quantity table for two concepts
- Participate in four conference calls with City staff to discuss and review existing and proposed striping plan for Patrick Avenue between Tennyson and Gading

#### TASK 3: PATRICK AVENUE PEDESTRIAN CROSSING IMPROVEMENTS

The work for this task is summarized below and detailed in Attachment A to this amendment.

- Provide preliminary design (60%), advanced design (90%), and final design (100%) plans for rectangular rapid flashing beacons at three locations on Patrick Avenue: Westwood Street, St Bede Lane, and midblock crosswalk between St Bede Lane and Gading Road.
- Revise plans to incorporate City comments at the 60% and 90% design stages
- Participate in a project kick-off meeting and field visit with the City
- Participate in up to two project coordination conference calls with City staff
- Select and coordinate with a land survey company to develop base survey drawings for each location
- Review survey base map
- Provide bid and construction support



## BUDGET

Task	Hours	Cost
Task 1: Final Plan Document and Stakeholder Coordination	70	\$ 13,200
Task 2: Patrick Avenue Design Review	75	\$ 12,400
Task 3: Patrick Avenue Pedestrian Crossing Improvements	330	\$ 57,200
<i>Direct Costs*</i>	-	\$6,200
<b><i>Amendment #1 Total</i></b>	<b>475</b>	<b>\$ 87,500</b>

Notes:

\*Direct costs include survey for three pedestrian crossing locations on Patrick Avenue. Additional detail provided in Attachment A.

## **Attachment A – Scope of Work: Patrick Avenue Pedestrian Crossing Improvements**

Kittelison and Associates, Inc. (Kittelison) will provide traffic engineering services related to the design and construction of pedestrian crossing improvements at three locations along Patrick Avenue in Hayward, CA. The three locations are:

- Patrick Avenue/Westwood Street – Existing Marked Crosswalk across the South Leg
- Patrick Avenue/St Bede Lane – Existing Marked Crosswalk across the South Leg
- Patrick Avenue/Marked Midblock Crosswalk between St Bede Lane and Gading Road

All plans will be developed in accordance with the City of Hayward's latest standards and specifications. Three agency-review periods are assumed: one at the preliminary design stage (60%), one at the advance design stage (90%) and the last review at final plans (100%). The construction plans will be developed as one plan set and include all three locations, assuming the project will be bid and constructed as one project.

## **DESIGN ASSUMPTIONS**

This scope of work assumes the following design assumptions for each intersection based on conversations with the City of Hayward public works staff.

### **Patrick Avenue/Westwood Street – Existing Marked Crosswalk across the South Leg**

- Install concrete pedestrian refuge islands at end of the parking lanes adjacent to the crosswalk on the east and west sides of Patrick Avenue.
- Upgrade pedestrian crossing signage and advance signage.
- Install a solar-powered Rectangular Rapid Flashing Beacon (RRFB) with push buttons. Assume the installation of the RRFB will make use of the new concrete pedestrian refuge islands.
- Install new pedestrian ramps where needed, and replace any existing ramps that do not meet current Public Right of Way Accessibility Guidelines (PROWAG) and Caltrans Guidelines. Assume two existing ramps will need to be replaced; additional ramps at the intersection would require an amendment to this scope and budget.

### **Patrick Avenue/St Bede Lane – Existing Marked Crosswalk across the South Leg**

- Install concrete pedestrian refuge islands at end of the parking lanes adjacent to the crosswalk on the east and west sides of Patrick Avenue.
- Install concrete pedestrian refuge island at midpoint of the crosswalk in the existing marked two-way left-turn lane.

- Upgrade pedestrian crossing signage and advance signage.
- Install a solar-powered Rectangular Rapid Flashing Beacon (RRFB) with push buttons. Assume the installation of the RRFB will make use of the new concrete pedestrian refuge islands.
- Install new pedestrian ramps where needed, and replace any existing ramps that do not meet current Public Right of Way Accessibility Guidelines (PROWAG). Assume two existing ramps will need to be replaced; additional ramps at the intersection would require an amendment to this scope and budget.

#### Patrick Avenue/Marked Midblock Crosswalk between St Bede Lane and Gading Road

- Install concrete pedestrian refuge islands at end of the parking lanes adjacent to the crosswalk on the east and west sides of Patrick Avenue.
- Install concrete pedestrian refuge island at midpoint of the crosswalk in the existing marked two-way left-turn lane.
- Upgrade pedestrian crossing signage and advance signage.
- Install a solar-powered Rectangular Rapid Flashing Beacon (RRFB) with push buttons. Assume the installation of the RRFB will make use of the new concrete pedestrian refuge islands.
- Install new pedestrian ramps where needed, and replace any existing ramps that do not meet current Public Right of Way Accessibility Guidelines (PROWAG). Assume two existing ramps will need to be replaced; additional ramps at the intersection would require an amendment to this scope and budget.

#### EXCLUSIONS FROM THIS SCOPE

Based on preliminary review of the existing intersection configurations and potential improvements needed at each intersection (based on the descriptions above) it is anticipated the following design services will **not** be needed, and thus, **not** included as part of this scope of work. If these services are deemed necessary in the future, an amendment to the scope of work will be required.

- Wet (water, sewer, storm) utility relocations including removal/replacement of valves, catch basins, manholes, etc.
- Major dry utility relocations (power, phone, telecommunications, etc.)
- Illumination design
- Pavement design
- Landscape design
- Geotechnical design
- Environmental documentation

**Note: If the City prefers a direct power feed, it will require additional design and coordination effort for Kittelson in coordination with the power company and City staff.**

## TERM OF SERVICE

Except in the event of an extension of time, agreed to in writing by the City, all Services as part of this agreement must be completed no later than August 30, 2021.

## PROJECT TASK DESCRIPTIONS

The following provides descriptions of each task to be completed during the project.

### TASK 1: OVERALL PROJECT MANAGEMENT AND PROJECT KICK-OFF (\$10,330)

- A. Coordinate project management-related items with the City, including schedule, meeting preparation, and deliverables. It is anticipated this project may last for an 8-month period.
- B. Prepare monthly invoices and progress reports (assume 8), and submit to the City for approval and payment. Monitor and manage project budget.
- C. Participate in a combined project kickoff meeting and field visit with the City to:
  - Verify survey (Task 2) and observe the existing physical characteristics of the roadway corridor;
  - Discuss pedestrian crossing design needs and overall concepts for the three locations, and;
  - Determine which pedestrian ramps will need to be replaced at each location.
- D. Participate in up to 2 project coordination meetings with the City.

### TASK 2: SURVEY (\$3,000 Kittelson Coordination + \$6,200 Survey Subconsultant)

- A. Kittelson will select and coordinate with a land survey company to develop base survey drawings for each location. Review survey base map, and confirm during kick-off and site visit meeting with the City.
- B. For each location, the survey subconsultant is to establish a horizontal and vertical survey control network and reference the network and all mapping to City approved vertical datum, NAVD 88 Datum. The subconsultant scope of work and fee for the survey is attached. The survey work will be limited to the immediate intersection areas. The City will provide Kittelson base mapping along Patrick Avenue for areas beyond the locations to be used for placement of advancing signing.

### TASK 3: DESIGN AND PLAN PREPARATION (\$37,490)

- A. 60% Design Submittal
  - i. Prepare 60% design plans including the following sheets:
    - **Title Sheet (1 sheet)**

- **Sheet Index, Standard Drawing List, and Construction Notes (2 sheet)**
- **Detailed Layout and Construction Plans (4-6 sheets)**
- **Signing & Striping Plans (3 sheets)**
- **RRFB Detail Plan (1 sheets)**
- **Associated Construction and Standard City Detail Sheets (2-3 sheets)**
- ii. Coordinate with the City regarding design details and design preferences including:
  - Sign pole locations
  - Specifications related to RRFB design and installation
  - Pedestrian ramp type and locations
  - Minor dry utility relocations
- iii. Prepare engineer's construction estimate for the 60% design plans.
- iv. Coordinate submittal package to the City.
- B. 90% Design Submittal
  - i. Update design plans based on City's 60% design review comments.
  - ii. Update engineer's construction estimate.
  - iii. Prepare draft construction specifications/special provisions based on current Caltrans and City of Hayward standards. City will provide standard Hayward Special Provisions for inclusion in the project special provisions. The order of precedence shall be (1) Project Specific Special Provisions, (2) City of Hayward Special Provisions, (3) Caltrans Special Provisions.
  - iv. Prepare bid schedule and bid item descriptions.
  - v. Coordinate submittal package to the City.
- C. 100% (Final) Design Submittal
  - i. Coordinate and meet with the City regarding the City's 90% design review comments.
  - ii. Update and prepare final (signed) design plans, engineer's construction estimate, construction specifications/special provisions, and bid schedule and bid item descriptions addressing the City's review comments.
  - iii. Coordinate submittal package to the City.

#### TASK 4: BID AND CONSTRUCTION (\$6,380)

This scope and fee estimate assumes City staff will provide primary construction management and inspection services for all work. Kittelson will provide supplemental field review services and engineering/design support.

A. Bid Support

- i. Coordinate with City staff regarding the construction plans/specifications. City to prepare bid documents.
- ii. Provide bidding assistance, including responding to questions from potential construction contractors and suppliers about the plans and specifications during the bidding process, and completion of any addendums necessary to clarify the documents when requested by the City.

B. Construction Support

- i. Participate in a pre-construction meeting.
- ii. Provide contractor submittal reviews to the City as appropriate.
- iii. Provide technical review of Requests for Information (RFIs) and Change Order Requests (COR) from the contractor, and coordinate with the City and Contractor as appropriate.
- iv. Conduct one field visit, if necessary, to review Contractor's construction staking layout.

C. As-built Plans

- i. Request and review as-built drawings/notes provided by the contractor.
- ii. Prepare preliminary as-built plans that reflect any changes made to the design during construction, and submit to the City for review.
- iii. Prepare final as-built plans to the City for approval. Final as-built engineering plans shall be provided in full size (22" x 34") paper, Mylar (min. 3-mil), digitally signed PDF, and City's current edition of AutoCAD.



**R.E.Y. ENGINEERS, INC.**

Engineers | Surveyors | Planners | LiDAR

December 21, 2020

*Sent via email*

Amanda Leahy, AICP  
**Kittelson & Associates**  
155 Grand Avenue, 505  
Oakland, CA 94612

Subject: Proposal for Surveying Services  
Patrick Avenue Crossing Improvements  
Hayward, CA

Dear Ms. Leahy,

R.E.Y. Engineers, Inc. (REY) is pleased to offer the following services in connection with the above-mentioned site. It is our understanding that you require topographic survey and mapping at three locations along Patrick Ave: Intersection of Patrick and Westwood Street, intersection of Patrick and St. Bede Lane, and at an existing crosswalk near the St. Bede Chapel on Patrick Avenue. See attached exhibit as provided by you via email for survey limits. To assist you with this project, REY will provide the following:

***Scope Items:***

*1) Field Survey – Topographic Survey*

REY will perform a topographic survey of the area outlined in blue on the attached exhibit to be used for design purposes. The topographic survey will include edge of pavement, walks, curbs, drives, ramps, gutters, walls, fences, striping, light poles, traffic signal poles, and fire hydrants. The width limits of the survey will not extend beyond the back of sidewalk. Visible indications of surface utilities lying within the project limits will be located, as will lid/rim elevations for drainage or sewer structures present. No invert information will be collected at any wet utility manhole or opening. Survey control points will be set at each location for future use.

*2) Topographic Mapping*

REY will process the topographic data and compile a topographic map at a scale of 1" = 20' with 1-foot contour interval. No record boundary information will be gathered or depicted on this map.

The coordinates and elevations will be based upon the horizontal and vertical datum required by the City of Hayward.

***Deliverables:***

DWG file (AutoCAD v2019) containing planimetric features and a surface model for the three sites.

***Schedule:***

Field survey will begin within five days after receipt of a signed agreement and a Notice to Proceed. REY anticipates delivery of the topographic map within five working days after completion of the field survey.

***Fee:***

Lump Sum Fee \$6,200.



R.E.Y. ENGINEERS, INC.

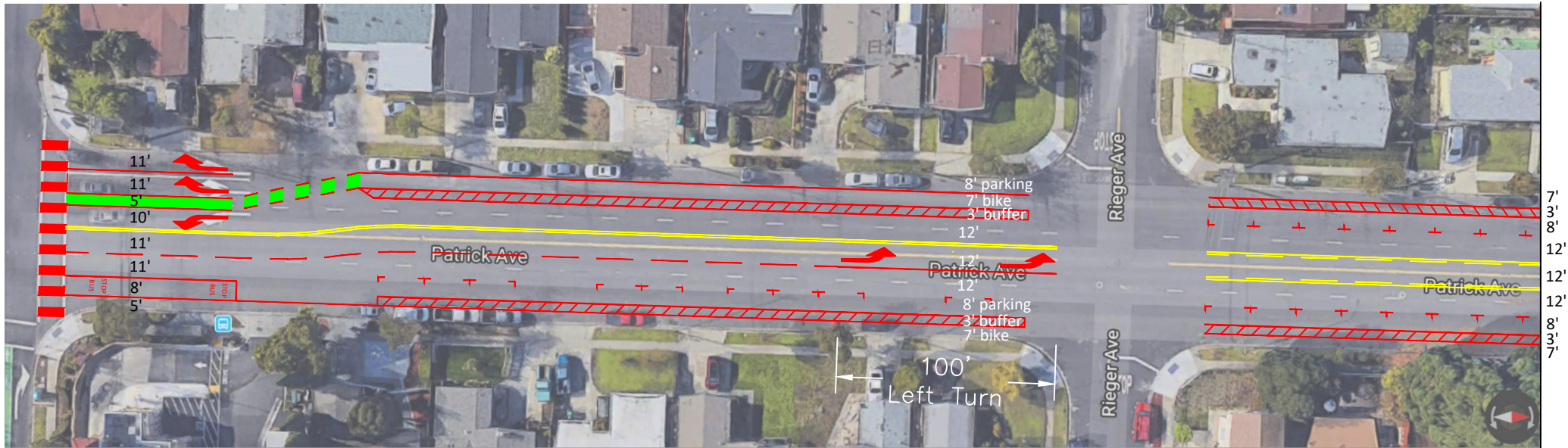
Engineers | Surveyors | Planners | LiDAR

We look forward to working together with you on this project. If you have any question please feel free to contact me.

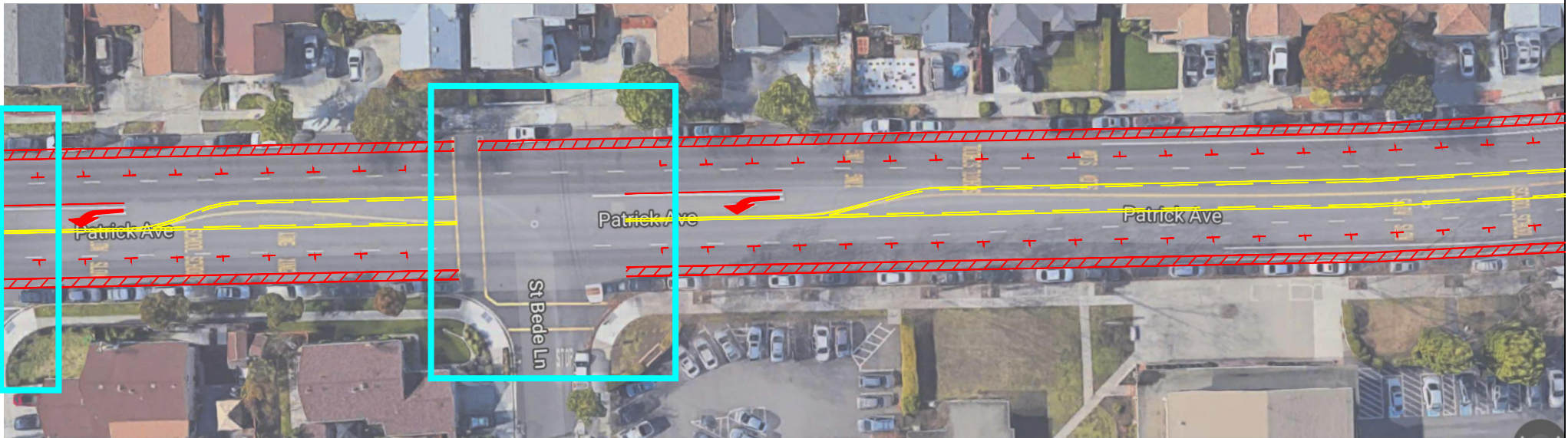
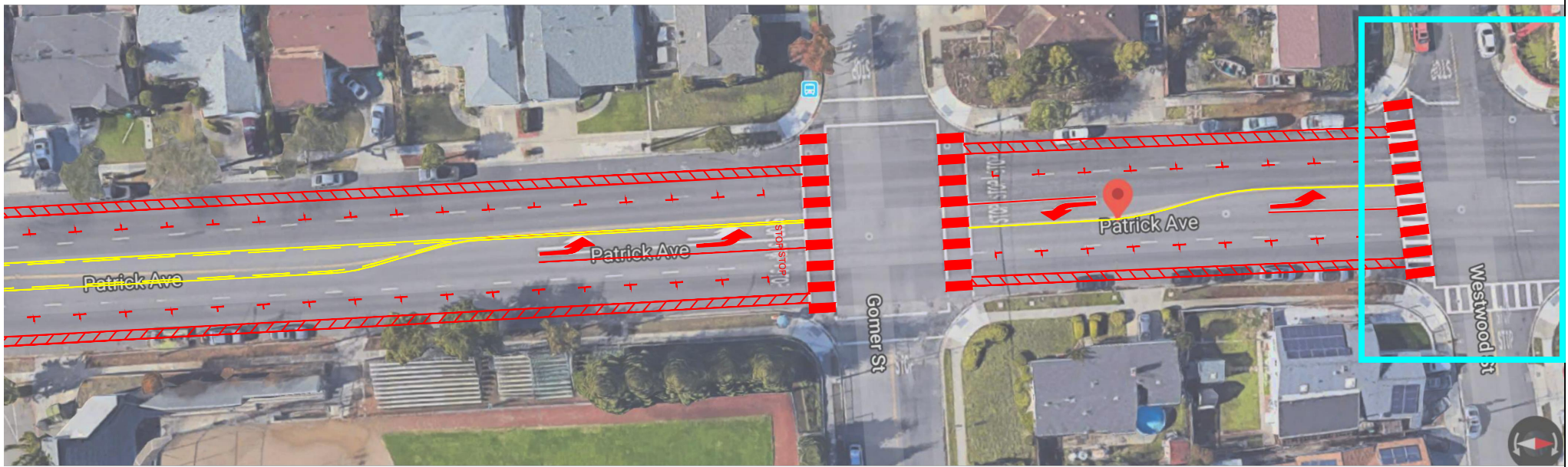
Sincerely,  
R.E.Y. Engineers, Inc.

Daniel W. Bustamante, PLS  
Senior Land Surveyor  
[dbustamante@reyengineers.com](mailto:dbustamante@reyengineers.com)



















# CITY OF HAYWARD

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

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**File #:** CONS 21-065

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT**

Adopt a Resolution in Support of California Assembly Bill 15: Tenant Stabilization Act of 2021, and Assembly Bill 16: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021

**RECOMMENDATION**

That the City Council adopts the attached Resolution (Attachment II) in support of AB 15 and AB 16, both of which will likely be voted on by the California Assembly before January 31.

**SUMMARY**

Staff requests that Council adopt a resolution supporting Assembly Bill 15, the 2021 bill that would provide increased eviction protections by extending the definition of "COVID-19 rental debt" to unpaid rent or any other unpaid financial obligation of a tenant that came due between March 1, 2020, and December 31, 2021. Staff also requests that Council approve a resolution supporting Assembly Bill 16, which establishes the Tenant, Small Landlord, and Affordable Housing Provider Stabilization Program and provides financial support to tenants, small landlords, and affordable housing providers.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Adopt a Resolution in Support of California Assembly Bill 15: Tenant Stabilization Act of 2021, and Assembly Bill 16: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021

## **RECOMMENDATION**

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## **SUMMARY**

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## **BACKGROUND**

In response to the COVID-19 pandemic, on August 31, 2020, the Legislature passed, and the Governor signed into law Assembly Bill 3088 (Chapter 37 of the Statutes of 2020), which created the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020. While AB 3088 provided much-needed temporary protections for renters and property owners, the economic repercussions of the pandemic and the necessary public health response on tenants, small landlords, and affordable housing providers may last for years to come, and have disproportionately impacted people and communities of color. Furthermore, AB 3088 is currently set to expire on January 31, 2021.

There is strong evidence to suggest that lifting of eviction protections related to COVID-19 could lead to mass evictions, which would be detrimental for public health and for the state’s economic recovery from this unprecedented crisis. According to a UCLA study that compared cities across the US and the length of their eviction moratoriums, evictions during the



pandemic in the United States contributed to 10,000 COVID-19 deaths and 400,000 infections.<sup>1</sup> Mass evictions would also likely facilitate further spread of COVID-19, place even further strain on the state's fiscal resources, and hamper the state's economic recovery.

## DISCUSSION

Without an adequate and robust response to the economic hardships on renters and landlords, the financial and health crisis caused by the pandemic could worsen.

AB 15 extends the protections of the COVID-19 Tenant Relief Act of 2020 and addresses areas where the act has created uncertainty or challenges in ensuring that tenants can remain housed. AB 15 clarifies and extends the following provisions of the Tenant Relief Act:

- Extends eviction protections for residential tenants impacted by COVID-19 until January 1, 2022.
- Extends the timeframe for applicability of the definition of "COVID-19 rental debt" through December 31, 2021 and extends the timeframe for commencement of recovery efforts pertaining to COVID-19 rental debt from March 1, 2021, to January 1, 2022.
- Places a burden on the landlord to prove a tenant is considered "high-income."
- Extends applicability of penalties for violations of the Act through January 1, 2022, for landlords who interrupt or terminate utility services furnished to a tenant with the intent to terminate the tenancy.
- Prohibits a landlord from attempting to collect late fees, providing different terms or conditions of tenancy, or withholding services or amenities based on a tenant's COVID-19 rental debt.

A gap in protections could result in tenants losing housing at a time when the City has few additional resources to provide relief. Loss of housing could lead to experiences of homelessness, adverse economic impacts, and increased risk of exposure to COVID-19 for renters. Hayward's housing stock is about 48% rental and 52% owner occupied units, but 60% of Latinx residents and 75% of Black/African-American residents live in rental housing and only 35% of Non-Latinx White Hayward residents are renters. Potential evictions would disproportionately impact communities of color in Hayward, and Black residents in particular.

AB 16 establishes the Tenant, Small Landlord, and Affordable Housing Provider Stabilization Program, which would financially stabilize tenants and landlords by using available federal and state General Funds.

"It is, therefore, the intent of the Legislature and the State of California to establish through statute a framework for distributing financial support to ensure long-term stability for renters, small landlords, and affordable housing providers, protect tenants

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<sup>1</sup>, Kathryn Leifheit, Sabriya Linton, Julia Raifman, etc., (2020), "Expiring Eviction Moratoriums and COVID-19 Incidence and Mortality".

from displacement during the ongoing public health crisis, and ensure an equitable, broadly shared recovery.”<sup>2</sup>

## **ECONOMIC IMPACT**

At this time, there is not a direct measurable economic impact to the City; however, having community members displaced from housing or who are forced to leave the City would likely have a negative impact on multiple segments of the economy.

## **FISCAL IMPACT**

Approving this resolution has no direct fiscal impact on the City’s General Fund. The need for additional resources to assist displaced residents could have an impact on City resources.

## **STRATEGIC ROADMAP**

This agenda item supports the Preserve, Protect & Produce Housing strategic priority.

## **NEXT STEPS**

If Council approves the attached resolution, staff will distribute the signed resolution to the appropriate bodies, as well as post a copy of the resolution on the Legislative Program website.

*Prepared by:* Terence Candell, Management Fellow

*Recommended by:* Jennifer Ott, Assistant City Manager

Approved by:



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Kelly McAdoo, City Manager

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<sup>2</sup> Assembly Member Chiu (2021), “AB-16 Tenancies: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021.



HAYWARD CITY COUNCIL

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

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

RESOLUTION SUPPORTING AB 15: TENANT STABILIZATION ACT OF 2021  
AND AB 16: COVID-19 TENANT, SMALL LANDLORD, AND AFFORDABLE  
HOUSING PROVIDER STABILIZATION ACT OF 2021

WHEREAS, the City of Hayward and the State of California have declared emergencies in the face of the global COVID-19 epidemic, in addition to a pre-existing regional housing crisis; and

WHEREAS, Emergency Rule 1, effective April 6, 2020, which temporarily halted evictions and supported public health efforts to slow the spread of COVID-19 by ensuring that tenants remained housed and court personnel were not placed at unnecessary risk of exposure, expired on September 1, 2020; and

WHEREAS, Assembly Bill 3088, the legislation passed in the California State Legislature and signed by Governor Newsom on August 31, 2021, to protect renters who cannot pay their rent in full due to COVID-related hardship, expires on January 31, 2021; and

WHEREAS, the City of Hayward has one of the least affordable housing markets in California and the United States. Renters occupy about 49 percent of the City's housing stock and 57 percent of renters spend more than 30 percent of their income on housing; and

WHEREAS, during the COVID-19 pandemic outbreak, as a result of the State of Emergency declarations and the Shelter in Place Order, many tenants and homeowners have experienced sudden income loss and further income impacts are anticipated, leaving tenants vulnerable to eviction due to failure to pay rent or mortgage payments; and

WHEREAS, the financial and health crisis caused by the pandemic could worsen without an adequate and robust response to the economic hardships on renters and landlords; and

WHEREAS, AB 15 was introduced on December 7, 2020 to extend the protections set forth in Ab 3088 through January 1, 2022, and AB 16 was introduced on December 7, 2020 to provide financial relief to renters, small landlords, and affordable housing providers.

**ATTACHMENT II**

NOW, THEREFORE, BE IT RESOLVED, that the Hayward City Council supports AB 15 and AB 16 and hereby directs the City Manager to transmit copies of this resolution along with letters to appropriate legislative representatives urging the passage of AB 15 and AB 16.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021

ADOPTED BY THE FOLLOWING VOTE:

AYES:            COUNCIL MEMBERS:  
                     MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# CITY OF HAYWARD

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

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**File #:** CONS 21-060

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adopt a Resolution Appointing Mr. Zachariah Oquenda to the Planning Commission to Fulfill the Unexpired Term of Ms. Angela Andrews

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) appointing Mr. Zachariah Oquenda to the Planning Commission to fulfill the unexpired term of Ms. Angela Andrews, which will expire on September 30, 2022.

**SUMMARY**

Following the July 28, 2020 City Board and Commission interviews, the City Council established an alternate list comprising eligible applicants who were not selected to fill vacancies because there were not enough vacant seats to appoint them. The alternate list comprised four Hayward residents who were nominated as alternates for specific commissions and the list was set to expire at the beginning of the 2021 recruitment process, which usually begins in April. The City Council, during its September 15, 2020 Council meeting, confirmed the list of alternates for each commission. Mr. Zachariah Oquenda was nominated as an alternate for the Planning Commission.

A General Municipal Election was held on November 3, 2020 for the purpose of electing four members of the City Council. Following receipt of the Statement of Results of all votes cast and during the December 15, 2020 City Council meeting, Ms. Angela Andrews, now former member of the Planning Commission, was sworn-in as an elected Hayward City Council Member, which created an unexpected vacancy on the Planning Commission.

If appointed to the Planning Commission, Mr. Zachariah Oquenda's term would be effective immediately and would end on September 30, 2022.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Adopt a Resolution Appointing Mr. Zachariah Oquenda to the Planning Commission to Fulfill the Unexpired Term of Ms. Angela Andrews

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) appointing Mr. Zachariah Oquenda to the Planning Commission to fulfill the unexpired term of Ms. Angela Andrews, which will expire on September 30, 2022.

**SUMMARY AND DISCUSSION**

Following the July 28, 2020 City Board and Commission interviews, the City Council established an alternate list comprising eligible applicants who were not selected to fill vacancies because there were not enough vacant seats to appoint them. The alternate list comprised four Hayward residents who were nominated as alternates for specific commissions and the list was set to expire at the beginning of the 2021 recruitment process, which usually begins in April. The City Council, during its September 15, 2020 Council meeting, confirmed the list of alternates for each commission. Mr. Zachariah Oquenda was nominated as an alternate for the Planning Commission.

A General Municipal Election was held on November 3, 2020 for the purpose of electing four members of the City Council. Following receipt of the Statement of Results of all votes cast and during the December 15, 2020 City Council meeting<sup>1</sup>, Ms. Angela Andrews, now former member of the Planning Commission, was sworn-in as an elected Hayward City Council Member, which created an unexpected vacancy on the Planning Commission.

Mr. Zachariah Oquenda, who is a current member of the Community Services Commission, was contacted at the writing of this report to confirm his eligibility status and interest in

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<sup>1</sup> December 15, 2020 City Council Meeting  
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4731344&GUID=A90920DF-57C8-4727-A81E-34A07A781EDA&Options=&Search=>

serving on the Planning Commission. If appointed to the Planning Commission, Mr. Zachariah Oquenda's term would be effective immediately and would end on September 30, 2022.

It is worth noting that Mr. Zachariah Oquenda is currently a member of the Community Services Commission, and, if selected to serve on the Planning Commission, there would be a vacancy on the Community Services Commission, which could be filled as part of the annual appointment process for the City's appointed officials to Commissions and the Keep Hayward Clean and Green Task Force.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

### **NEXT STEPS**

Following Council's action, Mr. Zachariah Oquenda would be administered the oath of affirmation prior to his first Planning Commission meeting.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



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Kelly McAadoo, City Manager

**HAYWARD CITY COUNCIL**

**RESOLUTION NO. 21-**

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

**RESOLUTION APPOINTING MR. ZACHARIAH OQUENDA TO THE PLANNING COMMISSION TO FULFILL THE UNEXPIRED TERM OF MS. ANGELA ANDREWS**

WHEREAS, the City Council conducted its annual recruitment for City Commissions and the Keep Hayward Clean and Green Task Force from April 14, 2019 to June 30, 2020; and

WHEREAS, on July 28, 2020, the City Council interviewed applicants to fill vacancies on the Community Services Commission, Library Commission, Personnel Commission, and Planning Commission; and

WHEREAS, following the interviews, the City Council established an alternate list comprising eligible applicants who were not selected to fill vacancies because there were not enough seats to appoint them; and

WHEREAS, Mr. Zachariah Oquenda was nominated as an alternate for the Planning Commission; and

WHEREAS, a General Municipal Election was held on November 3, 2020 for the purpose of electing four members of the City Council; and

WHEREAS, following receipt of the Statement of Results of all votes cast and during the December 15, 2020 City Council meeting Ms. Angela Andrews, now former member of the Planning Commission, was sworn-in as an elected Hayward City Council Member, which created an unexpected vacancy on the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that Mr. Zachariah Oquenda is selected from the alternate list and appointed to fulfill Ms. Andrew's unexpired term, which will expire on September 30, 2022.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2021.

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

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

APPROVED AS TO FORM:

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



# CITY OF HAYWARD

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**File #:** WS 21-001

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Measure C Annual Report: Review Annual Report of Measure C, Approved by Voters on June 3, 2014, Revenues and Expenditures

**RECOMMENDATION**

That the City Council receives and reviews the City's Measure C (District Sales Tax) FY 2020 annual report.

**SUMMARY**

In 2014, the voters of the City of Hayward approved a ½ cent District Sales Tax (Measure C), which is a general tax that can pay for any services within the City's General Fund. However, when the Council placed the measure on the ballot in 2014, they identified several priorities for the use of these funds based on issues identified by the community: police and public safety services; illegal dumping; litter control; graffiti abatement; and capital infrastructure projects. The prioritized capital projects included the construction of the City's new 21<sup>st</sup> Century Library and Community Learning Center; completion of fire station retrofits and improvements; rehabilitation and expansion of the existing fire training center located at Fire Station 6; as well as extensive street improvements. As of November 2020, the fire station retrofit and street improvement projects have been completed, the 21<sup>st</sup> Century Library project is in its final phases, and construction has begun on the expansion of the fire training center at Fire Station 6. This report provides an overview of Measure C projects to date as well as current financial projections for the funds.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Measure C 20-Year Financial Forecast Update





**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** Measure C Annual Report: Review Annual Report of Measure C, Approved by Voters on June 3, 2014, Revenues and Expenditures

## **RECOMMENDATION**

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## **SUMMARY**

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## **BACKGROUND**

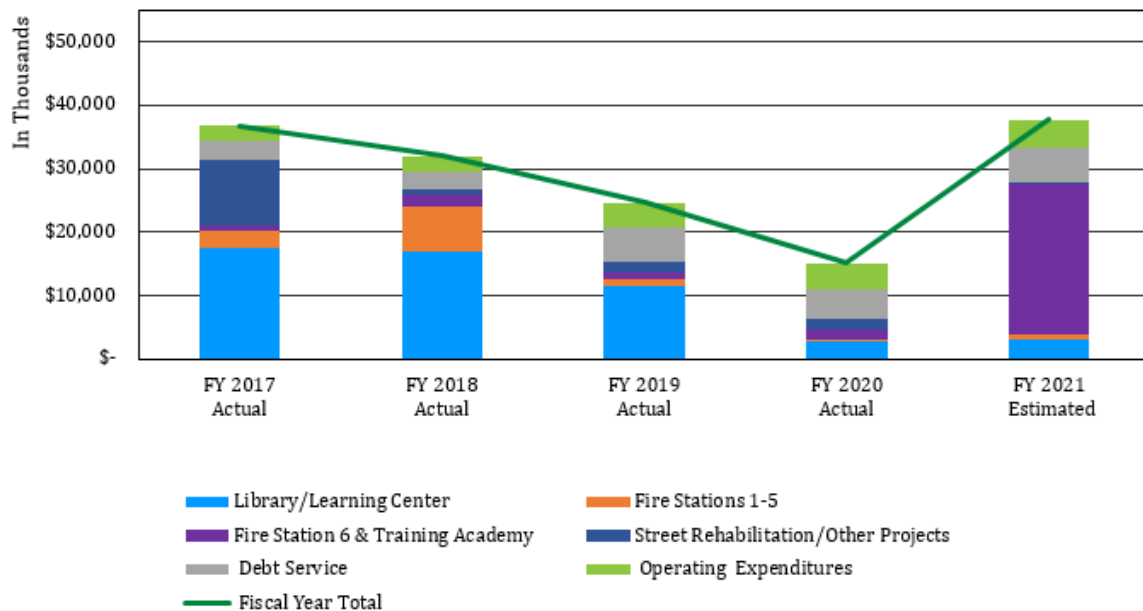
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a District Sales Tax and increase the City's Sales and Use Tax by half a percent for twenty years. Since that time, staff has focused on the completion of current and future capital improvement projects funded by Measure C, and has looked for ways to utilize revenues to achieve the promises of Measure C. Using Measure C funds, the City completed its largest road improvement project in history, reduced graffiti around the City, built a state of the art 21<sup>st</sup> Century Library and Learning Center, retrofitted five of the City's fire stations and will create a comprehensive regional fire training center that will be used by agencies and educational institutions from around the western United States.

## DISCUSSION

### Measure C Performance

With the passing of Measure C, the City developed a 20-Year Financial Forecast to project Measure C revenue over time and develop budgets for capital improvement projects and ongoing operating costs that support the Council's priorities for Measure C as outlined above. The following graph illustrates the use of Measure C related funds through FY 2021.

Graph 1: Measure C - Expenditures



Detailed expenditures of Measure C in FY 2020 and FY 2021 are provided in Table 1. The table below shows projected revenue and expenditure activity as it relates to Measure C in FY 2020 and FY 2021, including a breakdown of capital and operating expenditures.

**TABLE 1: MEASURE C FY 2020 ACTUAL AND FY 2021 ESTIMATED**

	FY 2020 Actual	FY 2021 Estimated
<b>Revenues</b>		
Measure C District Sales Tax	16,876,487	16,348,000
Other Partnering Contributors	1,837,150	18,162,850
<b>Total Revenues</b>	<b>18,713,637</b>	<b>34,510,850</b>
<b>Expenditures</b>		
<b>Capital</b>		
Library/ Learning Center	2,739,353	3,084,000

Fire Facilities Design	35,898	30,000
Fire Station 1	1,521	25,000
Fire Station 2	95,567	75,000
Fire Station 3	66,950	50,000
Fire Station 4	128,458	75,000
Fire Station 5	58,488	75,000
Fire Station 6	720,032	3,610,000
Fire Training Academy	877,108	20,064,000
Street Rehabilitation	1,337,437	
Debt Service	4,523,594	5,424,438
Other Projects	356,050	300,000
<b>Operating</b>		
Police Services	3,097,313	2,967,172
Maintenance Services	1,058,980	1,257,347
Other Department Services	66,116	106,542
<b>Total Expenditures</b>	<b>15,162,865</b>	<b>37,143,499</b>
<b>Beginning Fund Balance</b>	<b>24,412,738</b>	<b>27,963,510</b>
<b>Annual Surplus/(Shortfall)</b>	<b>3,550,772</b>	<b>(2,632,649)</b>
<b>Ending Fund Cash Balance</b>	<b>27,963,510</b>	<b>25,330,861</b>

### ***Measure C Funded Capital Improvement Projects***

#### **Fire Station 6 and Regional Fire Training Center Improvement**

This project will replace the existing Fire Station 6 and Fire Training Center with a new fire station and create a regional training center that will include: Classroom Buildings; Apparatus Building; Training Tower; Burn Building; Storage Building; Hangar Building; Underground Search and Rescue Structure/BART Structure; Covered Outdoor Classroom; Entry Structure; and Parking Lot. The final design of Fire Station 6 and Regional Fire Training Center was



completed in April 2020. City Council awarded the construction contract to SJ Amoroso on July 7, 2020. Construction started on August 17, 2020 and is anticipated to be completed in the Fall of 2022.

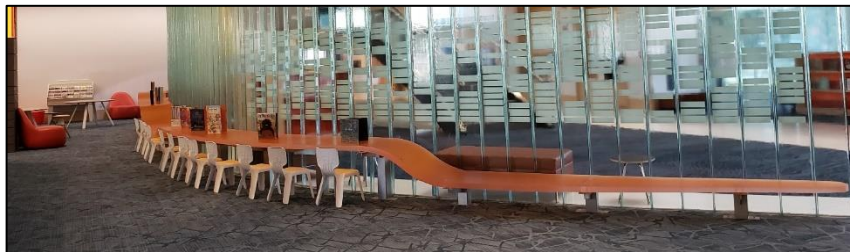
A partnership for the Regional Fire Training Center between the City of Hayward and the Chabot-Las Positas Community College District (District) will serve a mutual benefit. The Regional Fire Training Center will be a joint center and training program with dedicated classroom space, offices, and shared use of the grounds for City of Hayward fire personnel, as well as Chabot College's Fire Technology Program. Chabot College's Fire Technology Program is an Accredited Regional Fire Academy that will offer training opportunities for entry-level and active duty fire service professionals from around the region.

### 21<sup>st</sup> Century Library and Community Learning Center

The 21st Century Library and Community Learning Center is an invaluable asset to the Hayward community. Work on the 21st Century Library and Community Learning Center began with the selection of an architect in 2007, and construction began in January 2016. The estimated final project cost is \$62.3 million.



The new 21st Century Library and Community Learning Center is a three-story, 58,000 square foot building. As a net-zero energy facility, the building is 100% self-sufficient of electricity and is expected to receive a LEED certified rating of Platinum from the U.S. Green Building Council. In addition to its LEED certification, the library houses 50% more library



materials, including books and multi-media for all ages, 53 additional computers made available for public use, and a Makerspace featuring 3D printers, robotics, and

textiles. It includes multiple community meeting rooms, a Homework Support Center within the Children's Library, and offers additional services to the Hayward community.

The 21st Century Library opened to the public on September 14, 2019. The City continues to work with the primary contractor to finalize minor construction related items prior to final project acceptance by the City. In response to the Covid-19 pandemic, the Library was temporarily closed on March 17, 2020, and resumed limited operations in July 2020. During this period of time, there were minor delays in finalizing outstanding construction related items. It is anticipated that the final project acceptance will be completed in the near future. Reopening of regular operations at the 21st Century Library will be determined based upon the health and safety guidance issued by the State of California and Alameda County.

### Heritage Plaza

The Heritage Plaza project is Phase II of the 21st Century Library and Community Learning Center. Heritage Plaza is currently under construction and is expected to be completed near the end of FY 2021. Work for Phase II has included the demolition of the prior Library facility, the construction of an underground rainwater catchment system, and installation of landscaping features. Demolition of the Main Library structure took place in July 2018. This was followed by the construction of the underground catchment, filtration, and storage system. When complete, this system will recycle rainwater for irrigation and graywater uses in the 21st Century Library and Heritage Plaza and will be a major component of the project's expected LEED certification. Landscaping features are expected to include an event space, an arboretum housing 40 rare and mature trees, and a Children's Garden.



### Fire Stations 1 through 5 Improvements

This project involved considerable renovations of Fire Stations 1-5. Substantial improvements included seismic retrofits, energy efficient enhancements, and accessibility upgrades. Seismic retrofits at all stations will allow for immediate occupancy following a 7.0 earthquake, facilitating a smooth transition into emergency response following a natural disaster. Traffic Pre-Emption systems were installed to speed response times and minimize negative effects of Code 3 responses on traffic patterns. Energy efficiency improvements were completed at each fire station, including the installation of solar panels on Stations 2-5, which are designed to offset 70% of electricity consumption of the old buildings. However, the solar panels are projected to offset more, as the building upgrades included new energy efficient lighting and windows. Improvements were completed in August 2018. A celebration and thank you to the community were held in October 2018.

### Roads / Street Improvements

Measure C funds were used in the FY 2016 Pavement Preventive Maintenance and Resurfacing Project. This was a two-year project that was completed in February 2018. The City leveraged funds from a combination of funding sources (i.e., Gas Tax, Measure B & BB), including \$12 million from Measure C to complete the City's largest road improvement project to date.



The project provided new asphalt surfaces, and both intensive and minor roadway repairs on 312 street segments. These projects also included new and upgraded curb ramps, new striping for lane delineation, crosswalks, and bike lanes. With the completion of this project, the City's average Pavement Condition Index (PCI) increased from 66 to 70 in two years.

### ***Staffing***

The following table lists the positions that are authorized and budgeted in Measure C fund in FY 2021, as well as the status of each position. Measure C funded positions were not changed from FY 2020. The green shading depicts the positions budgeted within the Maintenance Services Department; while the blue shading denotes the positions budgeted in the Police Department.

**TABLE 2: FY 2021 MEASURE C FUNDED FTE'S:**

<b>Positions</b>	<b>Authorized</b>	<b>Budgeted</b>	<b>Filled</b>	<b>Vacant</b>
Groundskeeper I	5.0	5.0	5.0	0.0
Groundskeeper II	1.0	1.0	1.0	0.0
Maintenance Worker / Laborer	2.0	2.0	2.0	0.0
Maintenance Lead	1.0	1.0	1.0	0.0
Police Officer	3.0	3.0	3.0	0.0
Police Lieutenant	1.0	1.0	1.0	0.0
Crime Analyst	1.0	1.0	1.0	0.0
Certified Latent Print Examiner	1.0	1.0	1.0	0.0
Communications Supervisor	1.0	1.0	1.0	0.0
Communications Operator	7.0	7.0	7.0	0.0
<b>TOTAL FTE</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>0.0</b>

At the time of this report, all positions are filled among the Measure C authorized and budgeted positions.

### **ECONOMIC IMPACT**

There is no economic impact associated with this report as it is informational only.

### **FISCAL IMPACT**

There is no fiscal impact associated with this report; however, staff will continue to manage the Measure C 20-Year Financial Forecast to identify opportunities for City capital improvement projects, and other costs to fulfill the promises of Measure C.

### **STRATEGIC ROADMAP**

Measure C funding directly supports the Strategic Priorities of Improve Infrastructure and Support Quality of Life. Specifically, this item relates to the implementation of the following project(s):

Improve Infrastructure, Project 5, Part 5.a: Maintain Pavement Condition Index (PCI) at 70.

Improve Infrastructure, Project 12: Construct the fire station and Fire Training Center.

Support Quality of Life, Project 6: Plan Library operations and hours to leverage the new facility.

Support Quality of Life, Project 13: Evaluate Options for adding bathrooms to Heritage Plaza for Council consideration.

## **SUSTAINABILITY FEATURES**

The 21<sup>st</sup> Century Library and Community Learning Center is a net-zero energy facility, which is expected to qualify for LEED Platinum Certification. The Regional Fire Training Center Improvement Project will include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Additional energy efficiency improvements, such as LED lighting improvements and energy efficient windows, were completed as part of the retrofits at Fire Stations 1-5.

## **PUBLIC CONTACT**

The agenda for this item was posted in compliance with the California Brown Act.

## **NEXT STEPS**

Staff will continue to prioritize the completion of current and future Capital Improvement Projects, and look for ways to utilize revenues to achieve the promises of Measure C and remain exemplary stewards of the funds available through Measure C.

*Prepared and Recommended by:* Rick Rivera, Management Analyst I  
Nicole Gonzales, Deputy Director of Finance

Approved by:



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Kelly McAdoo, City Manager

Measure C  
20-Year Financial Forecast Update

Measure C 20-Year Financial Forecast		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Year Ref.		Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Fiscal Year		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022*	FY 2023*	FY 2024*	FY 2025*	FY 2026*	FY 2027*	FY 2028*	FY 2029*	FY 2030*	FY 2031*	FY 2032*	FY 2033*	FY 2034*
Revenues																					
Measure C		8,090,470	13,436,227	14,189,607	15,216,260	16,906,772	16,876,487	16,348,000	16,815,000	17,759,000	18,142,000	18,515,000	18,888,000	19,265,760	19,651,075	20,044,097	20,444,979	20,853,878	21,270,956	21,696,375	22,130,302
Bond Issuance			65,789,797																		
Chabot Commitment							1,837,150	18,162,850													
Total Revenues		8,090,470	79,226,024	14,189,607	15,216,260	16,906,772	18,713,637	34,510,850	16,815,000	17,759,000	18,142,000	18,515,000	18,888,000	19,265,760	19,651,075	20,044,097	20,444,979	20,853,878	21,270,956	21,696,375	22,130,302
Expenditures																					
Capital Expenditures																					
Library/Learning Center			10,607,338	17,372,241	17,051,095	11,503,558	2,739,353	3,084,000													
Fire Facilities Design			930,859	1,285,242	284,537	150,680	35,898	30,000													
Fire Station 1				358,293	618,851	33,618	1,521	25,000													
Fire Station 2				587,183	1,571,806	172,704	95,567	75,000													
Fire Station 3				472,826	1,622,186	141,045	66,950	50,000													
Fire Station 4				114,900	1,609,051	297,312	128,458	75,000													
Fire Station 5				75,973	1,207,332	435,506	58,488	75,000													
Fire Station 6					65,762	305,789	720,032	3,610,000	5,600,000	600,000											
Fire Training Academy				681,043	2,025,836	752,152	877,108	20,064,000	32,000,000	3,600,000											
Street Rehabilitation			490,845	10,554,232	652,521	32,113	-				2,000,000								2,000,000		
EBRCS Radios						1,314,719	1,337,437	-													
Landscape Improvements																					
Other Projects*					15,809	251,604	356,050	300,000		300,000	300,000	150,000									
Subtotal		-	12,029,043	31,501,932	26,724,786	15,390,800	6,416,863	27,388,000	37,600,000	4,500,000	2,300,000	150,000	-	-	-	-	-	-	2,000,000	-	-
Operating Expenditures																					
Police Services			569,836	1,793,135	1,935,134	2,956,896	3,097,313	2,967,172	3,174,874	3,397,115	3,634,913	3,889,357	4,161,612	4,452,925	4,764,630	5,098,154	5,455,025	5,836,876	6,245,458	6,682,640	7,150,425
Maintenance Services		205,969	708,249	601,999	614,581	761,784	1,058,980	1,257,347	1,345,361	1,439,536	1,540,304	1,648,125	1,763,494	1,886,939	2,019,024	2,160,356	2,311,581	2,473,392	2,646,529	2,831,786	3,030,011
Other Department Services						73,240	66,116	106,542													
Subtotal		205,969	1,278,084	2,395,134	2,549,715	3,791,920	4,222,408	4,331,061	4,520,235	4,836,652	5,175,217	5,537,482	5,925,106	6,339,864	6,783,654	7,258,510	7,766,606	8,310,268	8,891,987	9,514,426	10,180,436
Debt Service Expenditures			2,326,436	2,859,637	2,732,875	5,430,063	4,523,594	5,424,438	5,419,563	5,415,313	5,407,938	5,425,488	5,419,188	5,436,938	5,434,838	5,434,063	5,426,800	5,424,913	5,420,657	5,379,350	5,372,350
Total Expenditures		205,969	15,633,563	36,756,704	32,007,376	24,612,783	15,162,865	37,143,499	47,539,798	14,751,964	12,883,155	11,112,970	11,344,294	11,776,801	12,218,492	12,692,572	13,193,406	13,735,180	16,312,643	14,893,776	15,552,786
Annual Cash Flow		7,884,501	63,592,461	(22,567,097)	(16,791,116)	(7,706,011)	3,550,772	(2,632,649)	(30,724,798)	3,007,036	5,258,845	7,402,030	7,543,706	7,488,959	7,432,584	7,351,524	7,251,573	7,118,698	4,958,313	6,802,599	6,577,517
Cumulative Fund Balance		7,884,501	71,476,962	48,909,866	32,118,750	24,412,738	27,963,510	25,330,861	(5,393,936)	(2,386,901)	2,871,945	10,273,975	17,817,681	25,306,640	32,739,223	40,090,748	47,342,321	54,461,019	59,419,331	66,221,930	72,799,447

\*The amounts identified for capital projects in future fiscal years of this projection are conceptual only and have not been approved or appropriated. Appropriation and allocation of these funds will occur annually with adoption of the City's Operating and Capital budgets.





# CITY OF HAYWARD

Hayward City Hall  
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**File #:** WS 21-003

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

Review of Fiscal Year 2021 General Fund Revenue

**RECOMMENDATION**

That the City Council receives and reviews the presentation of FY 2021 General Fund revenues through November 30, 2020.

**SUMMARY**

This report is a review of FY 2021 General Fund revenues through November 30, 2020. The review provides a year-over-year comparison of General Fund revenues for the period of July 1 through November 30, 2020. An additional update on General Fund revenues through December 31, 2020 will be included with the FY 2021 Mid-Year Review in March 2021.

**ATTACHMENTS**

Attachment I      Staff Report



**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** Review of Fiscal Year 2021 General Fund Revenue

## **RECOMMENDATION**

That the City Council receives and reviews the presentation of FY 2021 General Fund revenues through November 30, 2020.

## **SUMMARY**

This report is a review of FY 2021 General Fund revenues through November 30, 2020. The review provides a year-over-year comparison of General Fund revenues for the period of July 1 through November 30, 2020. An additional update on General Fund revenues through December 31, 2020 will be included with the FY 2021 Mid-Year Review in March 2021.

## **BACKGROUND**

In response to the sudden onset of the COVID-19 pandemic, Council held several budget work sessions to discuss projected fiscal impacts to several key General Fund revenue streams in the spring of 2020. At the time, projections reflected a significant reduction in many of the City's key revenue sources. On June 23, 2020, after a public hearing, the City Council adopted the FY 2021 Operating Budget, reflecting significant reductions in revenue projections, and decreases in expenditures, resulting in a projected use of \$3.2 million in General Fund Reserves to bridge the projected structural budget gap<sup>1</sup>.

On November 18, 2020, the Committee received a preliminary update on FY 2021 General Fund revenues for a period of July 1 through September 30, 2020. The review provided a tread comparison of year-over-year changes to key revenue sources, which indicated a drop of 10%, aligning with previous projections related to anticipated impacts of the pandemic.

In December 2020, the City completed its annual audit process and financial statements for the fiscal year that ended June 30, 2020. Since the onset of the pandemic, the City has closely monitored incoming revenue and expenditures. In the spring of 2020, staff projected that FY 2020 would close with a use of \$11.8 million in General Fund Reserves. Upon final completion

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<sup>1</sup> Hayward City Council on June 23, 2020 - <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576658&GUID=351E52E7-0DED-4DDC-8851-596E3E47D56B&Options=&Search=>

of financial statements for the fiscal year that ended June 30, 2020, the City ended with a use of \$6 million from General Fund Reserves. While year-end financial statements reflect a negative balance, the change in use of Reserves is an improvement over the revised projected use of General Fund Reserves presented to Council in late spring 2020. The change in use of Reserves improves the beginning balance for FY 2021, where the City continues to realize negative impacts to several key revenue sources.

On January 20, 2021, the information contained in this report was presented to the Budget and Finance Committee. This review included an update to all General Fund revenue sources and a comparison from a fiscal YTD of FY 2020 to FY 2021 for context as well as an update on the December 2020 property tax remittance the City received.

## **DISCUSSION**

In March 2020, the unexpected onset of the COVID-19 pandemic led to more than a third of the world's population being placed into some form of shelter-in-place to stop the spread of the virus. Shelter-in-place restrictions caused severe repercussions for many economies around the world. The global economic slowdown significantly impacted stock markets and consumer activities worldwide, resulting in many economies entering into a recession, also widely referred to as the COVID-19 recession.

While the majority of the State of California, including Alameda County, remain under a restrictive shelter-in-place order, negative repercussions on our economy persist. Staff continues to monitor several of the City's key General Fund revenue sources. A review of FY 2021 General Fund revenue indicates a total decrease of 3 percent over FY 2020 revenues for the same period of time (July-November). However, the FY 2021 General Fund revenue received to date includes a \$1.9 million allocation in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding. The City received the one-time allocation in October 2020. If the CARES Act funding was removed from the year-over-year comparison, the City has experienced a total decrease of 8 percent comparatively over the same period of time in FY 2020. Table 1 below provides an analysis of comparative trending of General Fund revenues year-over-year for the period of July through November.

**Table 1: Revenue Comparison Trends**

	<b>FY 2020</b>	<b>FY 2021</b>	<b>%</b>
	<b>July - November</b>	<b>July - November</b>	<b>Change</b>
	<b>TOTALS</b>	<b>TOTALS</b>	<b>YOY</b>
<b>GENERAL FUND</b>			
PROPERTY TAX	\$ 1,796,966	\$ 1,974,489	10%
SALES TAX	\$ 14,457,174	\$ 13,641,695	-6%
UTILITY USERS TAX	\$ 5,131,791	\$ 4,921,733	-4%
FRANCHISE FEES	\$ 3,067,004	\$ 2,744,986	-10%
REAL PROPERTY TRANSFER TAX	\$ 4,003,831	\$ 3,860,022	-4%
BUSINESS LICENSE TAX	\$ 105,779	\$ 110,581	5%
TRANSIENT OCCUPANCY TAX	\$ 749,712	\$ 348,820	-53%
CANNABIS REVENUE	\$ -	\$ -	
EMERGENCY FACILITIES TAX	\$ 1,205,896	\$ 1,038,891	-14%
CHARGES FOR SERVICES	\$ 5,680,518	\$ 4,286,067	-25%
INTERGOVERNMENTAL*	\$ 551,891	\$ 2,706,524	390%
FINES & FORFEITURES	\$ 769,466	\$ 641,333	-17%
OTHER REVENUES	\$ 185,964	\$ 374,561	101%
INTEREST & RENTS	\$ (11,994)	\$ (16,787)	40%
TRANSFERS IN	\$ 1,651,686	\$ 1,652,936	0%
<b>NON-COVID REVENUE SUBTOTAL</b>	<b>\$ 39,345,683</b>	<b>\$ 36,306,469</b>	<b>-8%</b>
<b>REVENUE TOTAL</b>	<b>\$ 39,345,683</b>	<b>\$ 38,285,850</b>	<b>-3%</b>

\*FY 2021 includes \$1.98M in CARES Act Funding, if removed from trend comparison would result in 8% decrease.

As shown in Table 1, impacts of the pandemic have contributed to significantly lower revenues in Sales Tax, Utility User Tax (UUT), Real Property Transfer Tax (RPTT), and Transit Occupancy Tax (TOT). While most of the State of California, including Alameda County, remains under a shelter-in-place order, impacts on the City's Sales Tax and TOT are expected to continue to be negatively impacted until restrictions are lifted.

As of the date of this report, the City received \$95,168 in Cannabis Tax revenue, which will be recorded as payment received in quarter three (January) of the current fiscal year. The receipt of Cannabis Tax is the first payment received by the City in FY 2021. Staff will continue to monitor and report back to Council as revenues come in for the City's Cannabis Tax.

It should be noted that the majority of Property Tax revenue receipts are remitted to the City in the months of December and May. As stated in this report, Table 1 reflects revenue collected and recorded through November 30, 2020. Table 2 provides an analysis of comparative trending of Property Tax revenue year-over-year in the month of December.

**Table 2: December Property Tax Comparison**

	<b>FY 2020 December TOTAL</b>	<b>FY 2021 December TOTAL</b>	<b>% Change YOY</b>
<b>GENERAL FUND</b>			
PROPERTY TAX	\$25,358,033	\$26,716,754	5%

While the pandemic has negatively impacted several key revenue sources, such as Sales Tax, RPTT, and TOT, it should be noted that impacts on Property Tax may not appear until FY 2022, as Property Tax assessments paid this year reflect prior year tax assessments. Furthermore, while the real estate market continues to see a decline in the number of homes on the market, the median price remains relatively stable.

With restrictions in Alameda County in place indefinitely, including whole industry segments being shuttered, deeper negative impacts on the economy are expected. While it remains difficult to forecast how significant the economic repercussions will be through the end of the fiscal year, staff will continue to monitor revenues and will present Council with an update on General Fund revenues through December 30, 2020 as part of the FY 2021 Mid-Year review process in March 2021.

#### **ECONOMIC IMPACT**

There is no economic impact associated with this report as it is informational only.

#### **FISCAL IMPACT**

There are no direct fiscal impacts associated with this report as it is informational only.

#### **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Organizational Health. This item is not specifically related to a project currently identified in the Strategic Roadmap.

#### **PUBLIC CONTACT**

The agenda for this item was posted in compliance with the California Brown Act. The information in this report was presented at a regularly scheduled public meeting of the Council Budget & Finance Committee on January 20, 2021.

#### **NEXT STEPS**

Staff will continue to monitor General Fund revenues and provide Council with regular updates.

*Prepared by:* Nicole Gonzales, Deputy Director of Finance

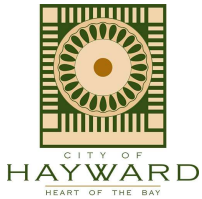
*Recommended by:*     Dustin Claussen, Director of Finance

Approved by:

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

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Kelly McAdoo, City Manager



# CITY OF HAYWARD

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**File #:** LB 21-002

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**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Temporary Evictions Moratoria: Adoption of Emergency Ordinance Amending the Temporary Moratorium on Commercial Evictions to Extend the Moratorium and Enacting a Moratorium on Residential Evictions

**RECOMMENDATION**

That Council adopts:

1. An Emergency Ordinance (Attachment II) amending the temporary moratorium on commercial evictions to extend the moratorium in the City of Hayward for non-payment of rent caused by the coronavirus (COVID-19) pandemic, or for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant or landlord effective through June 30, 2021; and
2. An Emergency Ordinance (Attachment III) establishing a temporary moratorium on residential evictions in the City of Hayward for non-payment of rent caused by the coronavirus (COVID-19) pandemic, or for a no-fault reason unless the eviction is necessary for the health and safety of the tenant or landlord through June 30, 2021.

**SUMMARY**

On March 24, 2020, the City Council adopted a 90-day emergency moratorium on evictions of residential tenants due to non-payment of rent caused by the COVID-19 pandemic and on no-fault evictions, which was repealed and replaced on April 7, 2020 to expand the moratorium to also prohibit eviction of commercial tenants and homeowners facing eviction after foreclosure. On June 30, 2020, the City Council extended the moratorium on residential and commercial evictions to September 30, 2020. On August 31, 2020, the Governor signed the State Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020, which included a statewide moratorium on residential evictions and preempted local governments from extending any existing moratoria on residential evictions. On September 22, 2020, due to this change in State law, the City Council only extended the eviction moratorium on commercial evictions.

The shelter-in-place orders are only partially lifted and high unemployment and business closure rates continue. The current moratorium on commercial evictions will conclude on January 31, 2021 unless extended by City Council and the Statewide residential eviction moratorium under the State Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 will conclude on January 31, 2021 unless the State Legislature votes to extend the protections.

Staff recommends:

- Extending the commercial evictions moratorium through June 30, 2021, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever occurs earlier to allow time for commercial tenants' business situations to stabilize and for tenants to enter into repayment agreements with their landlords; and
- Enacting a moratorium on residential eviction from February 1, 2021 through June 30, 2021, absent extension of the statewide moratorium, to allow time for residential tenants to stabilize their finances, secure financial assistance, and/or enter into repayment agreements with their landlords.

Enactment of an emergency ordinance would require at least five affirmative votes from the City Council. If only four Council members vote for the proposed ordinance, then adoption would occur at the next City Council meeting and the ordinance would go into effect 30 days after adoption.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Ordinance: Commercial Eviction Moratorium
Attachment III	Ordinance: Residential Eviction Moratorium
Attachment IV	Summary of Commercial and Residential Moratoria





**DATE:** January 26, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT:** Temporary Evictions Moratoria: Adoption of Emergency Ordinances Amending the Temporary Moratorium on Commercial Evictions to Extend the Moratorium and Enacting a Moratorium on Residential Evictions

## **RECOMMENDATION**

That Council adopts:

1. An Emergency Ordinance (Attachment II) amending the temporary moratorium on commercial evictions to extend the moratorium in the City of Hayward for non-payment of rent caused by the coronavirus (COVID-19) pandemic, or for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant or landlord effective through June 30, 2021; and
2. An Emergency Ordinance (Attachment III) establishing a temporary moratorium on residential evictions in the City of Hayward for non-payment of rent caused by the coronavirus (COVID-19) pandemic, or for a no-fault reason unless the eviction is necessary for the health and safety of the tenant or landlord through June 30, 2021.

## **SUMMARY**

On March 24, 2020, the City Council adopted a 90-day emergency moratorium on evictions of residential tenants due to non-payment of rent caused by the COVID-19 pandemic and on no-fault evictions, which was repealed and replaced on April 7, 2020 to expand the moratorium to also prohibit eviction of commercial tenants and homeowners facing eviction after foreclosure. On June 30, 2020, the City Council extended the moratorium on residential and commercial evictions to September 30, 2020. On August 31, 2020, the Governor signed the State Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020, which included a statewide moratorium on residential evictions and preempted local governments from extending any existing moratoria on residential evictions. On September 22, 2020, due to this change in State law, the City Council only extended the eviction moratorium on commercial evictions.

The shelter-in-place orders are only partially lifted and high unemployment and business closure rates continue. The current moratorium on commercial evictions will conclude on January 31, 2021 unless extended by City Council and the Statewide residential eviction moratorium under the State Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 will conclude on January 31, 2021 unless the State Legislature votes to extend the protections.

Staff recommends:

- Extending the commercial evictions moratorium through June 30, 2021, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever occurs earlier to allow time for commercial tenants' business situations to stabilize and for tenants to enter into repayment agreements with their landlords; and
- Enacting a moratorium on residential eviction from February 1, 2021 through June 30, 2021, absent extension of the statewide moratorium, to allow time for residential tenants to stabilize their finances, secure financial assistance, and/or enter into repayment agreements with their landlords.

Enactment of an emergency ordinance would require at least five affirmative votes from the City Council. If only four Council members vote for the proposed ordinance, then adoption would occur at the next City Council meeting and the ordinance would go into effect 30 days after adoption.

## **BACKGROUND**

On March 1, 2020, the Alameda County Public Health Department and Solano County Public Health Department reported two presumptive cases of COVID-19, pending confirmatory testing by the Centers for Disease Control (CDC), prompting Alameda County to declare a local health emergency.

On March 4, 2020, the Governor proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19.

On March 11, 2020, the City Manager, in her capacity as Director of Emergency Services, proclaimed a local emergency due to the spread of COVID-19, which was affirmed by the City Council on March 17, 2020.

On March 16, 2020, the Governor of the State of California issued Executive Order N-28-20<sup>1</sup> in response to the economic impacts of COVID-19 that threaten to undermine California's housing security and the stability of California businesses due to substantial loss of income, which authorized local jurisdictions to prohibit commercial and residential evictions due to non-payment of rent or mortgage payments, where failure to pay is related to the COVID-19 pandemic.

On March 17, 2020, Alameda County issued a legal order directing residents to shelter at home for three weeks, which has been amended and reissued multiple times, no longer includes an end date, and outlines a phased reopening plan for the County. The original order limited activity, travel, and business functions to only the most essential needs. The Shelter-in-

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<sup>1</sup> State of California Executive Order N-80-20 issued March 16, 2020:  
<https://www.gov.ca.gov/wp-content/uploads/2020/03/3.16.20-Executive-Order.pdf>

Place Order has caused and will continue to cause a decrease in income for many Hayward businesses and residents, which will increase the risk of job loss, displacement, and homelessness. While “essential businesses” such as pharmacies and grocery stores are exempt and restaurants are allowed to serve customers via take-out and outdoor dining only, the business community is facing severe economic injury. Businesses small and large have reported a complete collapse of their revenue streams, reduced sales, and the need to layoff or reduce their workforce’s hours. While sales have dramatically fallen, fixed costs such as rents, health care costs, outstanding loans, and taxes remain on the books.

On March 24, 2020<sup>2</sup>, the City Council adopted an emergency ordinance that 1) established a temporary moratorium on evictions in the City of Hayward for non-payment of rent caused by the COVID-19 pandemic, or for no-fault evictions unless the eviction is necessary for the health and safety of the tenant or landlord (e.g. unit is deemed uninhabitable), and 2) provided residential tenants and landlords mediation services to negotiate payment agreements. At that meeting, the City Council also directed staff to evaluate further the potential of including prohibitions on commercial and homeowner evictions.

On April 7, 2020<sup>3</sup>, in response to the COVID-19 pandemic and corresponding state and local emergency orders, the Hayward City Council voted to expand the Temporary Moratorium on Evictions to prevent displacement of residential and commercial tenants impacted by the COVID-19 pandemic.

On April 21, 2020, the Alameda County Board of Supervisors adopted amendments to the Countywide Eviction Moratorium<sup>4</sup> to provide expanded tenant eviction protections Countywide. Subsequently, the Superior Court of Alameda County issued a stay of execution of writs of possession following judgment in an unlawful detainer action until December 31, 2020. On January 5, 2021, the Court extended this stay to March 1, 2021.

On June 30, 2020<sup>5</sup>, the City Council adopted an Emergency Ordinance amending the temporary moratorium on residential and commercial evictions in the City for non-payment of rent or mortgage payments caused by the COVID-19 pandemic to extend the moratorium until September 30, 2020 and the repayment period an additional 90 days.

On August 31, 2020, the State enacted legislation called the Tenant, Homeowner, and Small

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<sup>2</sup> March 24, 2020 City Council Meeting Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4399195&GUID=BFD696C9-8ED0-4F9F-8B99-98912C9C0679&Options=&Search=>

<sup>3</sup> April 7, 2020 City Council Meeting Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4411520&GUID=D179CF31-EC55-4AA7-B3C1-430B1C8DC5E4&Options=&Search=>

<sup>4</sup> Alameda County Moratorium:

<http://www.acgov.org/cda/hcd/>

<sup>5</sup> June 30, 2020 City Council Meeting Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4580377&GUID=12885384-9D38-48A5-885F-4C0C7916C304&Options=&Search=>

Landlord Relief and Stabilization Act of 2020 (i.e., Assembly Bill 3088) that put into place a statewide moratorium on residential evictions until January 31, 2021 and precluded local governments from extending any existing moratoria on residential evictions beyond their already enacted expiration dates. As a result, the City of Hayward could not extend its moratorium on residential evictions beyond September 30, 2020 or until after February 1, 2021. The State did not enact any protections or place any restrictions on commercial evictions.

On September 22, 2020<sup>6</sup>, the City Council adopted an Emergency Ordinance amending the temporary moratorium on commercial evictions in the City of Hayward for non-payment of rent caused by COVID-19 to extend the moratorium until January 31, 2021.

On September 23, 2020, the Governor of the State of California issued Executive Order N-80-20 extending the timeframe for protections set-forth in Executive Order N-28-20 with respect to commercial evictions through March 31, 2021.<sup>7</sup>

## DISCUSSION

As a result of the State of Emergency declarations and Alameda County Shelter-in-Place Order during the COVID-19 pandemic outbreak, many residential tenants, homeowners, and commercial businesses have experienced sudden income loss, leaving them vulnerable to eviction. During the State of Emergency, the public interest in preserving peace, health, and safety, and preventing further transmission of COVID-19 will be served by avoiding unnecessary job loss, displacement, and homelessness.

Due to the continued state of emergency and continued restrictions under the Shelter-in-Place-Order, staff recommends the following revisions to the City's eviction moratoria:

1. **Extend the moratorium on commercial evictions through June 30, 2021**, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever occurs earlier to allow time for commercial tenants' business situations to stabilize and for tenants to enter into repayment agreements with their landlords. All other terms of the eviction moratorium on commercial evictions will remain the same.
2. **Enact a moratorium on residential evictions effective February 1, 2021 through June 30, 2021.** The Tenant, Homeowners, and Small Landlords Relief and Stabilization Act of 2020 put into place a statewide moratorium that precluded local governments from extending any existing moratoria on residential evictions beyond their already enacted expiration dates. Therefore, the City's moratorium on residential evictions ended on September 30, 2020. The State's legislation will sunset on January 31, 2021,

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<sup>6</sup> Sept 22, 2020 City Council Meeting Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4646748&GUID=525441D6-E924-4A3E-AFC5-21B74FEF5B7C&Options=&Search=>

<sup>7</sup> State of California Executive Order N-80-20 issued September 23, 2020:

<https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-80-20-COVID-19-signed.pdf>

unless extended. Staff recommends that the City Council enact a moratorium on residential evictions in the event the state legislature does not extend the statewide moratorium to ensure protection of Hayward tenants from eviction related to non-payment of rent related to COVID 19 and no cause evictions. The moratorium on residential evictions will cover the period between February 1, 2021 and June 30, 2021 to allow time for residential tenants to stabilize their finances, secure financial assistance and/or enter into repayment agreements with their landlords. Attachment IV provides a summary of the terms of the moratorium, which is consistent with the City of Hayward's previously enacted residential eviction moratorium.

Nothing in these Ordinances would relieve residential or commercial tenants or homeowners of the liability for unpaid rent or mortgage payments. The City has provided to date 459 rental assistance grants through the COVID-19 rent relief program to mitigate the impacts of delinquent rent payments. The City has committed an additional \$745,000 and anticipates providing an additional 260 grants.

To further aid small businesses, the City Council appropriated \$125,000 in CARES Act funding as a match to the County of Alameda's COVID-19 Small Business Grant program on December 8, 2020. This action created a total pool of \$250,000 in grant funding available to Hayward small businesses impacted by COVID-19. Following a county-wide application period, which received over 1,900 applications, including over 700 applications from Hayward businesses, the County issued 50 grants in the amount of \$5,000 to Hayward businesses. Businesses were selected through a randomized lottery.

While the City has been actively pursuing funds to provide assistance, funding is insufficient to cover the need and prevent displacement related to non-payment of rent due to the pandemic. Therefore, staff recommends enacting these emergency ordinances.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing and the Strategic Priority of Grow the Economy. This item is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this new item because economic impacts of COVID-19 threaten to undermine the stability of the City's business community and housing security for Hayward residents.

## **FISCAL IMPACT**

There is no fiscal impact associated with the adoption of the extended temporary moratoria ordinances on evictions.

## **PUBLIC CONTACT**

Staff has notified several key stakeholders of the proposed eviction moratorium extension Ordinance, including the Chamber of Commerce, the Downtown Hayward Improvement

District, United Merchants, Downtown Business Association, landlord and broker associations, and residential tenant advocacy groups.

## **NEXT STEPS**

Enactment of an emergency ordinance would require at least five affirmative votes from the City Council. If only four Council members vote for the proposed ordinances, then adoption would occur at the next City Council meeting and the ordinances would go into effect 30 days after adoption.

*Prepared by:* Christina Morales, Housing Division Manager  
Paul Nguyen, Economic Development Manager

*Recommended by:* Jennifer Ott, Assistant City Manager

Approved by:

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

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Kelly McAdoo, City Manager

ORDINANCE NO. 20-

AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAYWARD AMENDING THE TEMPORARY MORATORIUM ON COMMERCIAL EVICTIONS TO EXTEND THE MORATORIUM, WHICH WAS INITIALLY ADOPTED IN ORDINANCE NO. 20-07 AND SUBSEQUENTLY EXTENDED IN ORDINANCES NOS. 20-11 and 20-17, IN THE CITY OF HAYWARD FOR NON-PAYMENT OF RENT CAUSED BY THE CORONAVIRUS (COVID-19) PANDEMIC, OR FOR A NO-FAULT REASON UNLESS THE EVICTION IS NECESSARY FOR THE IMMINENT HEALTH AND SAFETY OF THE TENANT OR LANDLORD EFFECTIVE THROUGH JUNE 30, 2021

THE CITY COUNCIL OF THE CITY OF HAYWARD hereby ordains as follows:

**SECTION 1. Extension of Temporary Moratorium on Commercial Evictions.**

On April 7, 2020, City Council adopted an ordinance establishing a Temporary Moratorium on Commercial and Residential Evictions due to the COVID-19 pandemic. The Council extended both the commercial and residential eviction moratoria on June 30, 2020, until September 30, 2020. On August 31, 2020, the State legislature enacted the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (i.e., Assembly Bill 3088) that put into place a statewide moratorium on residential evictions until January 31, 2021. The State legislation prohibited local jurisdictions from extending already established moratoria on residential evictions after expiration. As a result, on September 22, 2020, the City Council extended only the commercial eviction moratorium through January 31, 2021, and the local residential eviction moratorium sunset on September 30, 2020. The State legislature has yet to extend the residential eviction protections related to the COVID-19 pandemic set forth in the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020. The commercial eviction moratorium is necessary to ensure protection of Hayward tenants from eviction related to non-payment of rent related to COVID-19 and no cause evictions.

**SECTION 2. Findings and Statement of Urgency.**

- A. Pursuant to Article XI, Sections 5 and 7 of the California Constitution, Government Code Sections 36934 and 36937, and section 617 of the Charter of the City of Hayward, the City may make and enforce all regulations and ordinances using its police powers to regulate municipal affairs and may enact emergency ordinances for the immediate preservation of the public peace, health, or safety.
- B. In late-December 2019, several cases of unusual pneumonia began to emerge in the Hubei province of China. On January 7, 2020, a novel coronavirus now known as COVID-19 was identified as the likely source of the illness.
- C. On January 30, 2020, the World Health Organization ("WHO") declared COVID-19 a Public Health Emergency of International Concern. On January 31, 2020, the United States Secretary of Health and Human Services declared a Public Health Emergency.

- D. On March 4, 2020, the Governor of California declared a State of Emergency due to the COVID-19 pandemic.
- E. On March 11, 2020, the City Manager, in her capacity as Director of Emergency Services, declared a Local Emergency in the City of Hayward due to the COVID-19 pandemic, which was affirmed by resolution of the Hayward City Council on March 17, 2020.
- F. On March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 pandemic.
- G. On March 16, 2020, the health officers of seven jurisdictions in the San Francisco Bay Area, including the County of Alameda, issued an Order to all residents of the respective jurisdictions to shelter in their homes in an effort to slow the progression of the COVID-19 pandemic. As of 5:00 p.m. on March 15, 2020, 15 cases of COVID-19 were known to exist in Alameda County, as well as at least 258 confirmed cases and at least three deaths in the seven Bay Area jurisdictions jointly issuing the Order, including a significant and increasing number of suspected cases of community transmission and likely further increases in transmission.
- H. On March 16, 2020, the Governor issued Executive Order N-28-20, authorizing local jurisdictions to prohibit commercial and residential evictions due to non-payment of rent or mortgage payments, where failure to pay is related to the COVID-19 pandemic. The Executive Order also requested all financial institutions holding mortgages to implement an immediate moratorium on foreclosures and related evictions when the default by the borrower was caused by the COVID-19 pandemic and directed certain state agencies to work with financial institutions to identify tools to be used to afford borrowers relief from the threat of residential foreclosures.
- I. On March 24, 2020, the Hayward City Council adopted Ordinance No. 20-06, an emergency ordinance imposing a moratorium on residential evictions where non-payment of rent is due to a substantial decrease in household (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work,) or substantial out-of-pocket medical expenses caused by the COVID-19 pandemic, or by any local, state, or federal government response to the COVID-19 pandemic, or evictions for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant and landlord.
- J. On April 7, 2020, the Hayward City Council repealed Ordinance No. 20-06, and adopted Ordinance 20-07, an emergency ordinance imposing a new temporary moratorium for non-payment of rent or mortgage payments caused by the COVID-19 pandemic, which includes prohibitions on commercial evictions, lender evictions of homeowners, and retaliation against tenants and homeowners.
- K. On June 30, 2020, the Hayward City Council adopted Ordinance 20-11, which extended the moratorium until September 30, 2020.
- L. On August 31, 2020, the State enacted legislation the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (i.e., Assembly Bill 3088) that put into place a statewide moratorium on residential evictions until January 31, 2021, and precluded local governments from extending any existing moratoria on residential evictions beyond their already enacted expiration dates.
- M. On September 22, 2020, the Hayward City Council adopted Ordinance 20-17, which extended the moratorium on Commercial Evictions until January 31, 2021.



- N. On September 23, 2020, the Governor issued Executive Order N-80-20 extending Executive Order N-28-20 through March 31, 2021, with respect to commercial evictions only.
- O. During the COVID-19 pandemic outbreak, as a result of the State of Emergency declarations and the Shelter in Place Order, bars and restaurants have been ordered to only serve food for delivery or pick-up; many other businesses have been determined to be non-essential, and thus ordered to effectively cease operations. Consequently, many businesses have experienced sudden income loss due to reduced business hours, business closure, or reduced consumer demand, and further income impacts are anticipated.
- P. The loss of income caused by the effects of COVID-19 and the public health orders have, and will, impact commercial tenants' ability to pay rent when due, leaving them vulnerable to eviction.
- Q. Providing commercial tenants with short-term protection from eviction due to the inability to pay rent will help avoid further business closures and job losses
- R. Eviction of commercial tenants disrupts the social ties and networks that are integral to the community's welfare and the stability of communities within the City.
- S. Eviction of commercial tenants creates undue hardship for business owners through additional relocation costs, stress and anxiety, and the threat of losing residential housing due to lack of business income.
- T. The City Council finds and determines that during this state of emergency the public interest in preserving peace, health, and safety and preventing further transmission of COVID-19, would be served by avoiding unnecessary displacement and homelessness.
- U. The City Council further finds and determines that extension of the temporary moratorium on commercial evictions is necessary to protect public health and safety, where inability to pay is due to a substantial decrease in business income (including a substantial decrease in business income caused by a reduction in opening hours or consumer demand) or by any local, state, or federal government response to the COVID-19 pandemic, or evictions for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant and landlord.
- V. Based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore it may be introduced and adopted at one and the same meeting, and shall become effective immediately upon its adoption by five (5) or more affirmative votes of the Hayward City Council through June 30, 2021, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever is earlier, unless repealed earlier.

### **SECTION 3. Definitions.**

- A. Commercial Rental Agreement. An oral, written, or implied agreement between a Landlord and a Tenant for use or occupancy of a Commercial Rental Unit.
- B. Commercial Rental Unit. Any building, structure, or part thereof, or appurtenant thereto, or any other rental property rented or offered for rent, other than for living or dwelling purposes.

- C. **Covered Reason for Delayed Payment.** A tenant's inability to pay rent or mortgage payments which arises from a substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or was unable to work because their children were out of school, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand) or substantial out-of-pocket medical expenses and the decrease in household or business income or the out-of-pocket medical expenses were caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.
- D. **Landlord.** Any owner, lessor, or sublessor of real Property who receives or is entitled to receive Rent for the use or occupancy of any Commercial Rental Unit or portion thereof in the City of Hayward, and the designated representative, agent, or successor of such owner, lessor, or sublessor.
- E. **Moratorium Period.** For Commercial Rental Units, the moratorium previously in effect is hereby extended through June 30, 2021, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever is earlier, unless repealed earlier unless repealed earlier.
- F. **No-Fault Eviction.** No-fault eviction refers to any eviction for which the notice to terminate tenancy is not based on alleged fault by the tenant, including but not limited to, the circumstances described in Hayward Municipal Code section 12-1.13(b)(7) – (10) or any notice served pursuant to Code of Civil Procedures 1161, et seq, or other applicable law.
- G. **Rent.** All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for a Commercial Rental Unit under a Commercial Rental Agreement, as the case may be.
- H. **Tenant.** A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Commercial Rental Agreement, to the use a Commercial Rental Unit.

#### **SECTION 4. Imposition and Extension of Temporary Moratorium on Certain Non-Payment and No-Fault Evictions**

- A. During the Moratorium Period, no Landlord shall evict a tenant under either of the following circumstances: (1) for nonpayment of rent if the tenant demonstrates that inability to pay arises out of a substantial decrease in household or business income (including but not limited to a substantial decrease in business income caused by a reduction in opening hours or consumer demand) and the decrease in business income was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented, or (2) for a no-fault eviction unless necessary for the imminent health and safety of tenants, neighbors, or the landlord.

- B. A landlord who reasonably knows that a tenant cannot pay some or all of the rent payments temporarily for the reasons set forth in paragraph A of this section shall not serve a notice informing a tenant of the termination of their right to occupy a Commercial Rental Unit in accordance with applicable California law, including but not limited to a 3- or 30-day notice to pay or quit, or otherwise seek to evict for nonpayment of rent payments. A landlord or lender knows of the tenant's inability to pay within the meaning of this Ordinance if the tenant notifies the landlord in writing of lost income and inability to pay full rent and is able to provide documentation to support the claim. Requirements to notify the landlord do not preclude the tenant from protections under the Moratorium if the tenant was unable to notify the landlord in writing.
- C. For purposes of this section, "in writing" includes email or text communications to the landlord, or the landlord's representative with whom the tenant has previously corresponded by email or text.
- D. For the purposes of this section, documentation to support a claim of inability to pay due to the COVID-19 pandemic may include, without limitation: a statement signed under penalty of perjury that the inability to pay is due to a Covered Reason for Delayed Payment as defined herein; documents showing reduced business income; correspondence by a business owner citing COVID-19 as a basis for reduced business hours or business closure. Any financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant's claim.
- E. Nothing in this Ordinance shall relieve the tenant of liability for the unpaid rent payments, which the landlord may seek after expiration of the moratorium, unless the parties agree otherwise. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance.

## **SECTION 5. Application**

- A. This Ordinance applies to all commercial rental units in the City of Hayward.
- B. This Ordinance applies to nonpayment eviction notices, no-fault eviction notices, unlawful detainer actions under California Code of Civil Procedure section 1161, petition for writ of possession, or any other action to recover possession of the Commercial Rental Unit or to otherwise cause tenants to vacate the Commercial Rental Unit based on such notices served or filed during the effective period of this Ordinance. With respect to delayed payment covered by this Ordinance, a landlord may seek such rent after expiration of the moratorium. No landlord may institute unlawful detainer proceedings under California Code of Civil Procedure section 1161, petition for writ of possession, or any other action to recover possession of the Commercial Rental Unit or to otherwise cause tenants to vacate the Commercial Rental Unit for non-payment for a period of 180 days after expiration of the moratorium, unless the tenant has breached the terms of a rental payment agreement negotiated during the term of this

moratorium. In any event the landlord must meet and confer with the tenant prior to commencement of any proceedings described in this section.

- C. Non-compliance by a landlord with any applicable provision of this Ordinance shall constitute an affirmative defense for a tenant against any proceeding instituted by a landlord described in this section.

#### **SECTION 6. Retaliation Prohibited.**

A landlord shall not retaliate against a tenant for nonpayment of rent payments caused by COVID-19 or for exercising their rights under this Ordinance, including but not limited to shutting off any utilities or reducing services or amenities to which the tenant would otherwise be entitled.

#### **SECTION 7. Enforcement**

The City, at its sole discretion, may choose to enforce the provisions of this ordinance through administrative fines and any other administrative procedure set forth in Hayward Municipal Code Chapter 1, section 1-3.00. Violations of the provisions of this ordinance may be subject to fines of up to \$4,000. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies. The City Attorney is authorized to institute a civil action or pursue criminal prosecution to enforce any provisions of this Ordinance.

#### **SECTION 8. Civil Remedies.**

A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Ordinance or any regulations promulgated hereunder. In a civil suit, a Landlord found to violate this Ordinance shall be liable to the Tenant for all actual damages, which may include an award for mental and/or emotional distress and/or suffering, or for minimum damages in the sum of one thousand dollars (\$1,000.00), whichever is greater, and whichever other relief the court deems appropriate. A prevailing Tenant in a civil action brought to enforce this Ordinance shall be awarded reasonable attorneys' fees and costs. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

#### **SECTION 9. Severability.**

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**SECTION 10. Effective Date and Expiration Date.**

This Ordinance shall become effective immediately upon its adoption by five (5) or more affirmative votes of the Hayward City Council and shall be in effect through For Commercial Rental Units, the moratorium previously in effect is hereby extended through June 30, 2021, or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever is earlier, unless repealed earlier unless repealed earlier.

**SECTION 11. California Environmental Quality Act (CEQA)**

The City Council independently finds and determines that this action is exempt from CEQA pursuant to Public Resources Code section 21065, based on the finding that this Ordinance is not a "project" within the meaning of Section 15378 of the CEQA Guidelines. The City Council further independently finds and determines that this action is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines, as an activity that is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The general exemption applies in this instance because it can be seen with certainty that there is no possibility that the proposed amendments could have a significant effect on the environment, and thus are not subject to CEQA. Thus, it can be seen with certainty that the proposed project would not have a significant effect on the environment.

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the \_\_\_\_ day of January, 2021, upon motion of \_\_\_\_\_ and by the following votes of members of said City Council:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

MAYOR: \_\_\_\_\_  
Barbara Halliday

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

APPROVED AS TO FORM:

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

ORDINANCE NO. 20-

AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAYWARD ESTABLISHING A TEMPORARY MORATORIUM ON RESIDENTIAL EVICTIONS IN THE CITY OF HAYWARD FOR NON-PAYMENT OF RENT CAUSED BY THE CORONAVIRUS (COVID-19) PANDEMIC, OR FOR A NO-FAULT REASON UNLESS THE EVICTION IS NECESSARY FOR THE IMMINENT HEALTH AND SAFETY OF THE TENANT OR LANDLORD EFFECTIVE THROUGH JUNE 30, 2021

THE CITY COUNCIL OF THE CITY OF HAYWARD hereby ordains as follows:

**SECTION 1. Re-Establishing of a Local Residential Eviction Moratorium.**

On April 7, 2020, City Council adopted an ordinance establishing a Temporary Moratorium on Commercial and Residential Evictions due to the COVID-19 pandemic. The Council extended both the commercial and residential eviction moratoria on June 30, 2020, until September 30, 2020. On August 31, 2020, the State legislature enacted the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (i.e., Assembly Bill 3088) that put into place a statewide moratorium on residential evictions until January 31, 2021. The State legislation prohibited local jurisdictions from extending already established moratoria on residential evictions after expiration. As a result, on September 22, 2020, the City Council extended only the commercial eviction moratorium through January 31, 2021, and the local residential eviction moratorium sunset on September 30, 2020. The State legislature has yet to extend the residential eviction protections related to the COVID-19 pandemic set forth in the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020. The residential eviction moratorium is necessary to ensure protection of Hayward tenants from eviction related to non-payment of rent related to COVID 19 and no cause evictions.

**SECTION 2. Findings and Statement of Urgency.**

- A. Pursuant to Article XI, Sections 5 and 7 of the California Constitution, Government Code Sections 36934 and 36937, and section 617 of the Charter of the City of Hayward, the City may make and enforce all regulations and ordinances using its police powers to regulate municipal affairs and may enact emergency ordinances for the immediate preservation of the public peace, health, or safety.
- B. In late December 2019, several cases of unusual pneumonia began to emerge in the Hubei province of China. On January 7, 2020, a novel coronavirus now known as COVID-19 was identified as the likely source of the illness.
- C. On January 30, 2020, the World Health Organization ("WHO") declared COVID-19 a Public Health Emergency of International Concern. On January 31, 2020, the United States Secretary of Health and Human Services declared a Public Health Emergency.
- D. On March 4, 2020, the Governor of California declared a State of Emergency due to the COVID-19 pandemic.

- E. On March 11, 2020, the City Manager, in her capacity as Director of Emergency Services, declared a Local Emergency in the City of Hayward due to the COVID-19 pandemic, which was affirmed by resolution of the Hayward City Council on March 17, 2020.
- F. On March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 pandemic.
- G. On March 16, 2020, the health officers of seven jurisdictions in the San Francisco Bay Area, including the County of Alameda, issued an Order to all residents of the respective jurisdictions to shelter in their homes in an effort to slow the progression of the COVID-19 pandemic. As of 5:00 p.m. on March 15, 2020, 15 cases of COVID-19 were known to exist in Alameda County, as well as at least 258 confirmed cases and at least three deaths in the seven Bay Area jurisdictions jointly issuing the Order, including a significant and increasing number of suspected cases of community transmission and likely further increases in transmission.
- H. On March 16, 2020, the Governor issued Executive Order N-28-20, authorizing local jurisdictions to prohibit commercial and residential evictions due to non-payment of rent or mortgage payments, where failure to pay is related to the COVID-19 pandemic. The Executive Order also requested all financial institutions holding mortgages to implement an immediate moratorium on foreclosures and related evictions when the default by the borrower was caused by the COVID-19 pandemic and directed certain state agencies to work with financial institutions to identify tools to be used to afford borrowers relief from the threat of residential foreclosures.
- I. On March 24, 2020, the Hayward City Council adopted Ordinance No. 20-06, an emergency ordinance imposing a moratorium on residential evictions where non-payment of rent is due to a substantial decrease in household (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work,) or substantial out-of-pocket medical expenses caused by the COVID-19 pandemic, or by any local, state, or federal government response to the COVID-19 pandemic, or evictions for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant and landlord.
- J. On April 7, 2020, the Hayward City Council repealed Ordinance No. 20-06, and adopted Ordinance 20-07, an emergency ordinance imposing a new temporary moratorium for non-payment of rent or mortgage payments caused by the COVID-19 pandemic, which includes prohibitions on commercial evictions, lender evictions of homeowners, and retaliation against tenants and homeowners.
- K. On June 30, 2020, the Hayward City Council adopted Ordinance 20-11, which extended the moratorium until September 30, 2020.
- L. On August 31, 2020, the State enacted legislation the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (i.e., Assembly Bill 3088) that put into place a statewide moratorium on residential evictions until January 31, 2021, and precluded local governments from extending any existing moratoria on residential evictions beyond their already enacted expiration dates.
- M. On September 22, 2020, the Hayward City Council adopted Ordinance 20-17, which extended the moratorium on Commercial Evictions until January 31, 2021.
- N. On September 23, 2020, the Governor issued Executive Order N-80-20 extending Executive Order N-28-20 through March 31, 2021, with respect to commercial evictions only.

- O. The City of Hayward has one of the least affordable housing markets in California and the United States. Renters occupy about 49 percent of the City's housing stock and 57 percent of renters spend more than 30 percent of their income on housing.
- P. During the COVID-19 pandemic outbreak, as a result of the State of Emergency declarations and the Shelter in Place Order, many tenants and homeowners have experienced sudden income loss and further income impacts are anticipated, leaving tenants vulnerable to eviction due to failure to pay rent or mortgage payments.
- Q. Affected tenants and homeowners who have lost income due to impact on the economy or their employment as a result of the State of Emergency declarations and the Shelter in Place Order are at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted.
- R. Displacement through eviction destabilizes the living situation of tenants and homeowners and impacts the health of Hayward's residents by uprooting children from schools, disrupting the social ties and networks that are integral to the community's welfare and the stability of communities within the City.
- S. Displacement through eviction creates undue hardship for tenants and homeowners through additional relocation costs, stress and anxiety, and the threat of homelessness due to the lack of alternative housing.
- T. The City Council finds and determines that during this state of emergency the public interest in preserving peace, health, and safety and preventing further transmission of COVID-19, would be served by avoiding unnecessary displacement and homelessness.
- U. The City Council further finds and determines that establishment of a temporary moratorium on residential evictions is necessary to protect public health and safety, where inability to pay is due to a substantial decrease in household income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work) or substantial out-of-pocket medical expenses caused by the COVID-19 pandemic, or by any local, state, or federal government response to the COVID-19 pandemic, or evictions for a no-fault reason unless the eviction is necessary for the imminent health and safety of the tenant and landlord.
- V. Based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore it may be introduced and adopted at one and the same meeting, and shall become effective immediately upon its adoption by five (5) or more affirmative votes of the Hayward City Council through June 30, 2021, unless repealed earlier.

### **SECTION 3. Definitions.**

- A. Covered Reason for Delayed Payment. A tenant's or homeowner's inability to pay rent or mortgage payments which arises from a substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or was unable to work because their children were out of school, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand) or substantial out-of-pocket medical expenses and the decrease in household



or business income or the out-of-pocket medical expenses were caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.

- B. Homeowner. The owner or owners of a Residence subject to a mortgage payment or similar loan secured by the residential unit. Homeowner includes the owner of a Mobile home.
- C. Housing Service. A service provided by the Landlord related to the use or occupancy of a Residential Rental Unit, including but not limited to, insurance, repairs, replacement, maintenance, painting, lighting, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, and employee services.
- D. Landlord. Any owner, lessor, or sublessor of real Property who receives or is entitled to receive Rent for the use or occupancy of any Residential Unit or portion thereof in the City of Hayward, and the designated representative, agent, or successor of such owner, lessor, or sublessor.
- E. Lender. The mortgagee of a purchase money or similar mortgage, or the holder or beneficiary of a loan secured by one or more Residences, which person has the right to mortgage or similar payments from the Homeowner as mortgagor, including a loan servicer, and the agent, representative, or successor of any of the foregoing.
- F. Moratorium Period. For Residential Rental Units, the moratorium is effective February 1, 2021, through June 30, 2021, unless repealed earlier.
- G. Mobile home. A structure transportable in one or more sections, designed and equipped to contain no more than one dwelling unit, to be used with or without a foundation system.
- H. Mortgage Payment. The predetermined set of payments that a borrower is obliged to pay to a lender pursuant to a debt instrument, which is secured by specified real estate property as collateral.
- I. No-Fault Eviction. No-fault eviction refers to any eviction for which the notice to terminate tenancy is not based on alleged fault by the tenant, including but not limited to, the circumstances described in Hayward Municipal Code section 12-1.13(b)(7) – (10) or any notice served pursuant to Code of Civil Procedures 1161, et seq, or other applicable law.
- J. Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for use or occupancy of a Residential Rental Unit and Housing Services under a Rental Housing Agreement.

- K. **Rental Housing Agreement.** An oral, written, or implied agreement between a Landlord and a Tenant for use or occupancy of a Rental Unit and Housing Services.
- L. **Residence.** A structure, including a mobile home, or the portion thereof that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household, and which person or household pays mortgage payments to a lender for the use and/or occupancy of the structure or Mobile home, or the space where a Mobile home is located.
- M. **Residential Rental Unit.** Any building, structure, or part thereof, or appurtenant thereto, or any other rental Property Rented or offered for Rent for living or dwelling purposes, including houses, apartments, rooming or boarding house units, and other real properties used for living or dwelling purposes, together with all Housing Services connected with the use or occupancy of such Property. For purposes of this ordinance a Residential Rental Unit shall also include a mobile home or mobile home space.
- N. **Tenant.** A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Rental Housing Agreement to the use or occupancy of a Residential Rental Unit.

#### **SECTION 4. Imposition and Extension of Temporary Moratorium on Certain Non-Payment and No-Fault Evictions**

- A. During the Moratorium Period, no Landlord shall evict a tenant, nor shall any lender evict a homeowner, under either of the following circumstances: (1) for nonpayment of rent or mortgage payments if the tenant or homeowner demonstrates that inability to pay arises out of a substantial decrease in household or business income (including but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or was unable to work because their children were out of school, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand) or substantial out-of-pocket medical expenses and the decrease in household or business income or the out-of-pocket medical expenses were caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented, or (2) for a no-fault eviction unless necessary for the imminent health and safety of tenants, neighbors, or the landlord.
- B. A landlord or lender who reasonably knows that a tenant or homeowner cannot pay some or all of the rent or mortgage payments temporarily for the reasons set forth in paragraph A of this section shall not serve a notice informing a tenant or homeowner of the termination of their right to occupy a Residential Rental Unit or Residence, in accordance with applicable California law, including but not limited to a 3- or 30-day notice to pay or quit, or otherwise seek to evict for nonpayment of rent or mortgage payments. A landlord or lender knows of the tenant's or homeowner's inability to pay within the meaning of this Ordinance if the tenant or homeowner notifies the landlord or lender in writing of lost income and inability to pay full rent or mortgage payments and is able to provide documentation to support the claim. Requirements to notify the

landlord or lender do not preclude the tenant or homeowner from protections under the Moratorium if the tenant or homeowner was unable to notify the landlord or lender in writing.

- C. For purposes of this section, “in writing” includes email or text communications to the landlord or lender, or the landlord’s or lender’s representative with whom the tenant or homeowner has previously corresponded by email or text.
- D. For the purposes of this section, documentation to support a claim of inability to pay due to the COVID-19 pandemic may include, without limitation: a statement signed under penalty of perjury that the inability to pay is due to a Covered Reason for Delayed Payment as defined herein; medical bills or reports; documents showing reduced income such as pay stubs or unemployment benefit documents; correspondence from an employer citing COVID-19 as a basis for reduction in work hours or termination of employment; documents showing reduced business income; correspondence by a business owner citing COVID-19 as a basis for reduced business hours or business closure. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant’s claim.
- E. Nothing in this Ordinance shall relieve the tenant or homeowner of liability for the unpaid rent or mortgage payments, which the landlord or lender may seek after expiration of the moratorium, unless the parties agree otherwise. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance.
- F. A tenant or landlord may request to participate in a mediation process through the City of Hayward Rent Review Office, to assist the parties with negotiating, among other things, reduced rental payment amounts during the moratorium period and repayment schedules for unpaid rent during the moratorium period. Any negotiated reduced rent during the mediation process would not affect the base rent calculation of rent-controlled units pursuant to Chapter 12, Article 1 of the Hayward Municipal Code. The parties may request the assistance of the Rent Review Office, to renegotiate agreements as circumstances change. This paragraph shall only apply to tenants and landlords of residential rental units.

## **SECTION 5. Application**

- A. This Ordinance applies to all residential rental units and residences in the City of Hayward.
- B. This Ordinance applies to nonpayment eviction notices, no-fault eviction notices, unlawful detainer actions under California Code of Civil Procedure section 1161, termination of tenancy in a Mobile home park under the Mobile home Residency Law (see Civil Code sections 798.55, et. seq.), petition for writ of possession, or any other action to recover possession of the Residential Rental Unit or Residence, or to otherwise cause tenants or homeowners to vacate the Residential Rental Unit or Residence, based

on such notices served or filed during the effective period of this Ordinance. With respect to delayed payment covered by this Ordinance, a landlord may seek such rent after expiration of the moratorium. No landlord or lender may institute unlawful detainer proceedings under California Code of Civil Procedure section 1161, termination of tenancy in a Mobile home park under the Mobile home Residency Law (see Civil Code sections 798.55, et. seq.), petition for writ of possession, or any other action to recover possession of the Residential Rental Unit or Residence, or to otherwise cause tenants or homeowners to vacate the Residential Rental Unit or Residence, for non-payment for a period of 180 days after expiration of the moratorium, unless the tenant or homeowner has breached the terms of a rental or mortgage payment agreement negotiated during the term of this moratorium. In any event the landlord or lender must meet and confer with the tenant or homeowner prior to commencement of any proceedings described in this section.

- C. Non-compliance by a landlord or lender with any applicable provision of this Ordinance shall constitute an affirmative defense for a tenant or homeowner against any proceeding instituted by a landlord or lender described in this section.

#### **SECTION 6. Retaliation Prohibited.**

A landlord or lender shall not retaliate against a tenant or homeowner for nonpayment of rent or mortgage payments caused by COVID-19 or for exercising their rights under this Ordinance, including but not limited to shutting off any utilities or reducing services or amenities to which the tenant or homeowner would otherwise be entitled.

#### **SECTION 7. Enforcement**

The City, at its sole discretion, may choose to enforce the provisions of this ordinance through administrative fines and any other administrative procedure set forth in Hayward Municipal Code Chapter 1, section 1-3.00. Violations of the provisions of this ordinance may be subject to fines of up to \$4,000. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies. The City Attorney is authorized to institute a civil action or pursue criminal prosecution to enforce any provisions of this Ordinance.

#### **SECTION 8. Civil Remedies.**

A Tenant or homeowner may bring a civil suit in the courts of the state alleging that a Landlord or lender has violated any of the provisions of this Ordinance or any regulations promulgated hereunder. In a civil suit, a Landlord or lender found to violate this Ordinance shall be liable to the Tenant or homeowner for all actual damages, which may include an award for mental and/or emotional distress and/or suffering, or for minimum damages in the sum of one thousand dollars (\$1,000.00), whichever is greater, and whichever other relief the court deems appropriate. A prevailing Tenant or homeowner in a civil action brought to enforce this Ordinance shall be awarded reasonable attorneys' fees and costs.

Additionally, upon a showing that the Landlord or lender has acted willfully or with oppression, fraud, or malice, the Tenant or homeowner shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

#### **SECTION 9. Severability.**

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

#### **SECTION 10. Effective Date and Expiration Date.**

This Ordinance shall become effective immediately upon its adoption by five (5) or more affirmative votes of the Hayward City Council and shall be in effect until September 30, 2020, unless repealed earlier.

#### **SECTION 11. California Environmental Quality Act (CEQA)**

The City Council independently finds and determines that this action is exempt from CEQA pursuant to Public Resources Code section 21065, based on the finding that this Ordinance is not a "project" within the meaning of Section 15378 of the CEQA Guidelines. The City Council further independently finds and determines that this action is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines, as an activity that is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The general exemption applies in this instance because it can be seen with certainty that there is no possibility that the proposed amendments could have a significant effect on the environment, and thus are not subject to CEQA. Thus, it can be seen with certainty that the proposed project would not have a significant effect on the environment.

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the \_\_\_\_ day of January, 2021, upon motion of \_\_\_\_\_ and by the following votes of members of said City Council:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

MAYOR:\_\_\_\_\_

Barbara Halliday

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

APPROVED AS TO FORM:

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

## Summary of Eviction Moratoria

**Applicability.** All residential rental units, commercial rental units, and any residence subject to a mortgage payment that are occupied by the homeowners.

**Term.** Commercial Eviction Moratorium: extend through June 30, 2021 or the date of the expiration of the Governor's Executive Order N-28-20 and any extensions thereof, whichever occurs earlier.

Residential Moratorium: February 1, 2021 through June 30, 2021.

**Prohibitions.** Prohibit evictions of residential tenants, commercial tenants and lender evictions of homeowners during the moratorium for nonpayment of rent or mortgage payments related COVID-19, the State of Emergency regarding COVID-19, or following government-recommended COVID-19 precautions, as well as explicit prohibitions on retaliation against tenants and homeowners who are protected under this moratorium. Prohibits eviction of residential tenants for no cause evictions.

**Landlord and Lender Notification Requirement.** Residential and Commercial tenants and homeowners must make a good faith effort to notify the landlord or lender, respectively, in writing of the loss of income and/or increased expense related to COVID-19 and inability to pay the full rent or mortgage.

**Documentation Requirements.** Residential and commercial tenants and homeowners should be prepared to provide documentation to support their claim. This documentation could include but is not limited to: medical bills or medical reports; documents showing reduced income such as pay stubs or unemployment benefit documents; correspondence from an employer citing COVID-19 as a basis for reduction in work hours or termination of employment; documents showing reduced business income; or correspondence by a business owner citing COVID-19 as a basis for reduced business hours or business closure.

**Payment of Past Due Rent or Mortgage.** Nothing in the proposed Ordinances would relieve residential or commercial tenants or homeowners of the liability for unpaid rent or mortgage payments.

**No-Fault Evictions for Public Health or Safety.** The carve-out for no-fault evictions necessary for public health or safety is intended to deal with situations where the unit is uninhabitable or subject to some type of regulatory action such as a code enforcement or fire department 'red tag' order. This carve-out is not an opportunity to exploit or avoid the constraints of the emergency ordinances.

**Mediation Services.** Through the Residential Rent Stabilization Program, the City will provide mediation services to assist residential landlords and tenants to enter into repayment agreements for past due rent. Mediation will not be available for commercial tenants or property owners' negotiating forbearance agreements with their lender.