

**CITY COUNCIL MEETING
TUESDAY, MAY 23, 2017**

PRESENTATIONS

Item #5 WS 17-023

Community Agency Funding: Discussion of Goals and Focus

COMMUNITY AGENCY FUNDING

discussion of goals
and focus

Joint work session of CITY COUNCIL and COMMUNITY SERVICES COMMISSION
May 23, 2017



COMMUNITY AGENCY FUNDING PROCESS: **DISCUSSION OF GOALS AND FOCUS**

- Hayward is long known for compassion and commitment to the upliftment of low-income Hayward residents
- The City for many years has annually allocated funds toward eligible projects and activities that serve low-income Hayward residents
- Council's direction and guidance is sought regarding the desired goals and areas of focus for Community Agency Funding of projects and services that support low-income Hayward residents.

OPTION D: **THE “HYBRID MODEL”**

- Developed by CSC Funding Process Update Committee
- Targeted Areas of Need
- Combines advantages and provides a transition period
- Provides funding for general projects and services as in current process
- Focuses some funding on targeted areas of need to maximize impact
- Recommended by full CSC in September 2016
- Presented to Council in October 2016
- Robust discussion
- Deferred until May 2017 after FY 2018 funding process complete
- Conversation continues tonight

OPTION D: **TARGETED AREAS OF NEED**

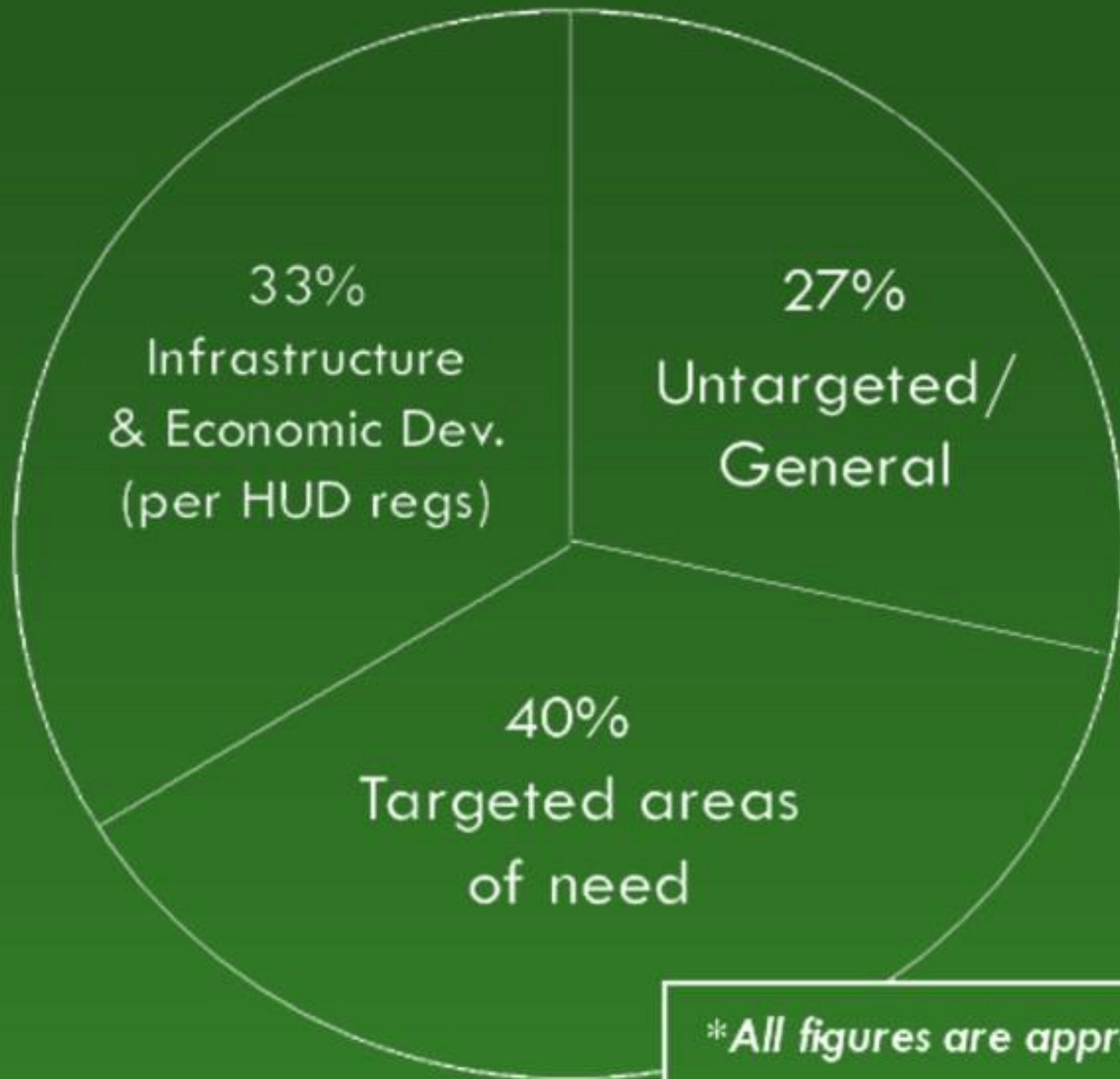
- Community Infrastructure, Jobs, and Economic Development**
- Homelessness, Housing Affordability, and Food Access**
- Seniors, and People with Disabilities
- Youth, Family, and Education
- Health and Wellness
- Arts, Music and Culture
- Counseling, Referral, Case Management, and Legal Services

** All categories assume eligible low-income Hayward resident clients*

*** Category required by HUD*



OPTION D: THE “HYBRID MODEL”



**All figures are approximations*

OPTION D (Recommended)

- Divides available funding into three roughly equal components
- “Untargeted / General” includes all categories (Social Services, Arts and Music, etc.)
- “Targeted areas of need” would rotate each year; 2 or 3 areas per year; 3-year cycle

COMMUNITY SERVICES COMMISSION

FUNDING PROCESS UPDATE COMMITTEE

- Ray Bonilla (Commission Chair)
- Antonio Isaais (Committee Chair)
- Todd Davis
- Crystal Araujo
- Diane Fagalde (alternate)

COMMITTEE PRESENTATION

CSC FUNDING PROCESS UPDATE COMMITTEE
May 23, 2017





Strategic Alignment

Presented by the Community Services Commission Funding Update Committee

May 23, 2017

PURPOSE

To determine how the CSC aligns its funding process with Council's goals to have the most strategic impact.



BACKGROUND



BEST
PRACTICES



COUNCIL
GOALS



NEXT
STEPS

Our Mission

The Community Services Commission's mission is to provide advice and consultation to the Hayward City Council in the allocation of resources to address barriers for vulnerable, low-income residents.

DISPARITIES + SOCIAL INEQUITY =
NEGATIVE IMPACTS



BACKGROUND

GENERAL FUND (CITY-BASED FUNDS)

Allocation authorized from City budget by Council;

Less restrictive – supports broad range of social service issues

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

An automatically calculated formula grant from the federal government;

Funds must meet at least one of three National objectives a) benefit low-moderate income residents b) prevent slum/blight or c) meet an urgent need;

HUD restricts eligible services as those related to Housing, infrastructure, Economic Development / Job Creation

Two current sources of community agency funding:



DECLINING RESOURCES

FY 1998

FY 2008

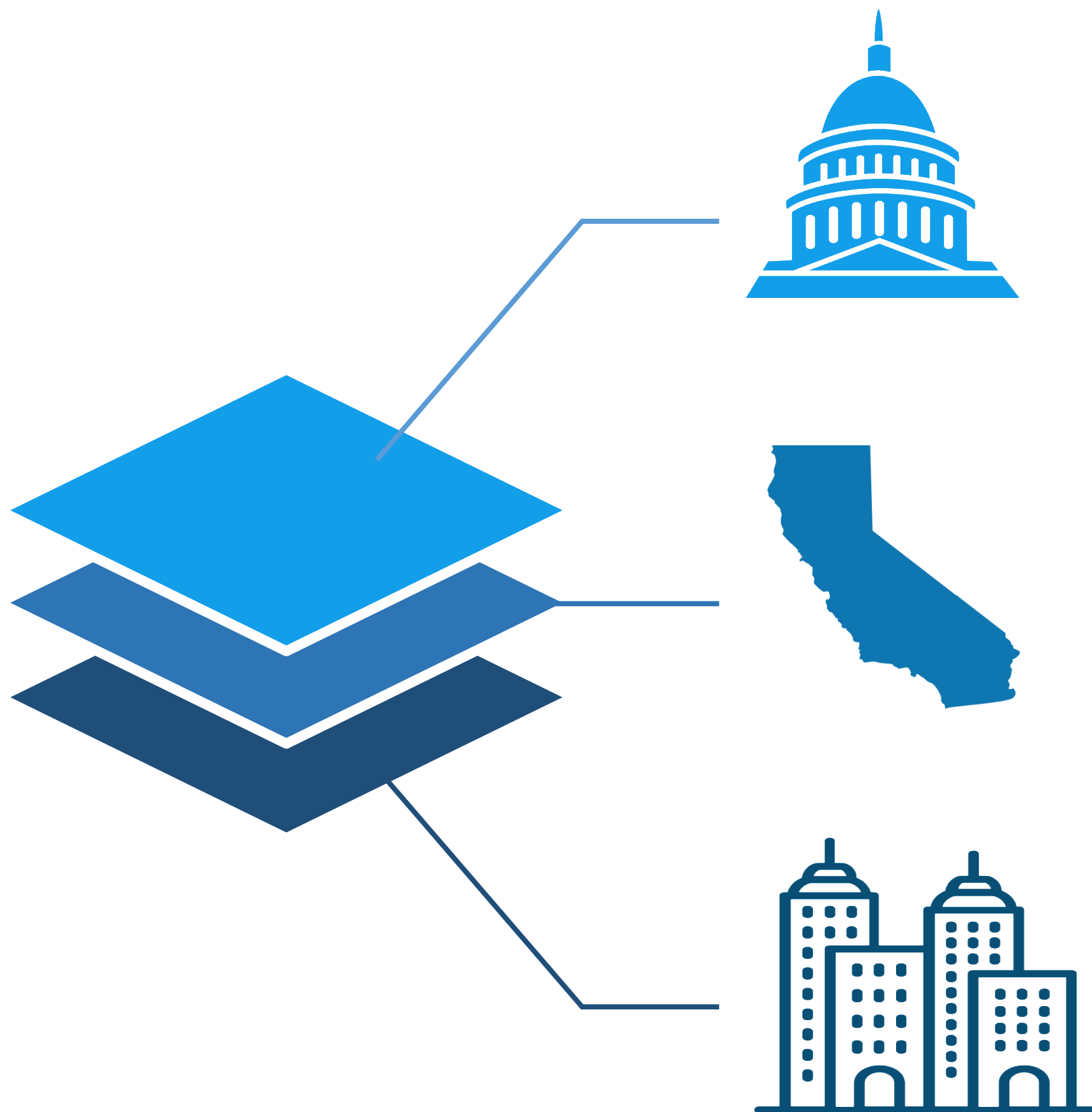
FY 2018



*FY 2018 amounts shown are estimates and are subject to change depending on final FY 2018 funding availability as appropriated by Council and/or Congress



CURRENT FUNDING LANDSCAPE



Federal: Recent moves to eliminate or drastically reduce available federal funds for program services.

State: Structural deficits and rising costs continue to put pressure on local governments

Private sector: Grant making organizations are more selective and performance driven

CALL TO ACTION

MORE
Doing
LESS
with



Creating Meaningful Impact

Nurturing Proven Sustainable Solutions

Maximizing Our Resources



BEST PRACTICES

How are others responding to this changing funding environment?

33

Cities



Targeted Areas of Need: A focus area that addresses a specific need, and generates the greatest impact to the funder's mission

Evidence-Based Accountability: Proven methods informed by objective evidence and research to achieve a meaningful and desired outcome

15

Foundations



Measurable and sustained outcomes: Quantifiable results that achieve a desired impact that is sustainable and, benefits the most vulnerable



BEST PRACTICES

How are others responding to this changing funding environment?



Most funders are moving towards evidence-based accountability

- Who are the beneficiaries of the service or program?
- What are the expected outcomes?
- What impacts are being measured?
- How are the impacts being measured?
- What evidence supports the approach?
- How is sustainably measured?
- How is the quality of service measured?
- How are partners involved?
- How is the funding need (amount) determined?
- What is the evaluation criteria and process?

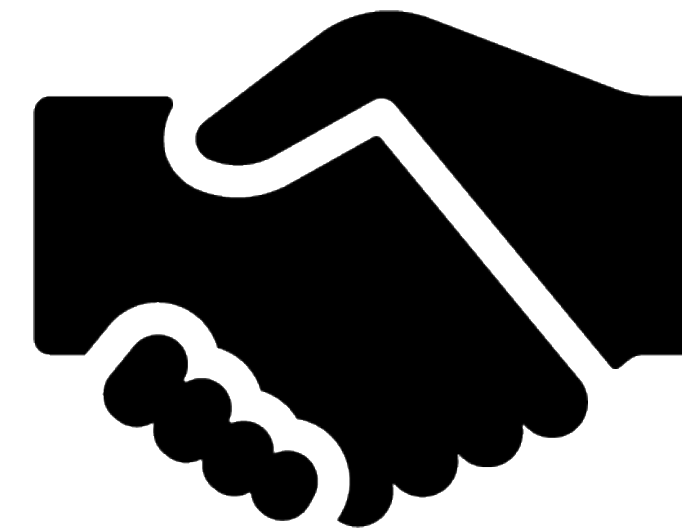


BEST PRACTICES



Trending Focus Areas

- Affordable Housing
- Homelessness
- Immigration
- Health
- Geographically targeted funding



Engage other partners

- Kaiser Permanente
- HUSD
- California Endowment
- East Bay Housing (EBHO)
- Google
- Others



BEST PRACTICES EXAMPLE



HAYWARD
PROMISE
NEIGHBORHOOD

Hayward Promise Neighborhood

- Leveraged and braided funding sources (Federal, local)
- Community-based partners and alignment of services
- Evidence-based approach with data driven outcomes
- Continuum of integrated programs to create impact
- Shared core goals and transparency
- Accomplishments draw in private partnerships

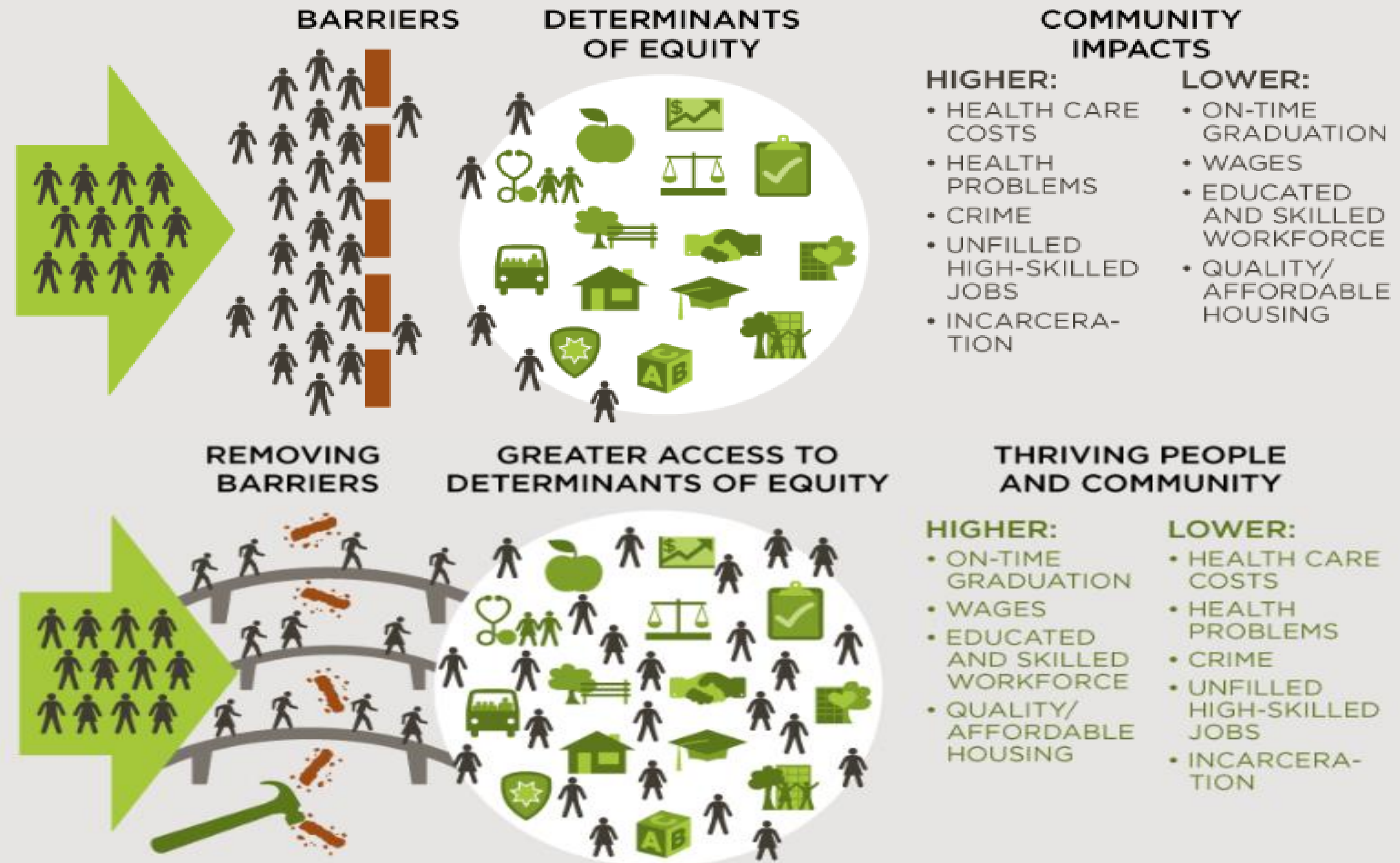


BEST PRACTICES

Inequities Hurt Everyone

When people lack access to the determinants of equity, they lack opportunity. The resulting inequities impact the whole community.

We are all better off when all of us are better off.





COUNCIL STRATEGIC INITIATIVES



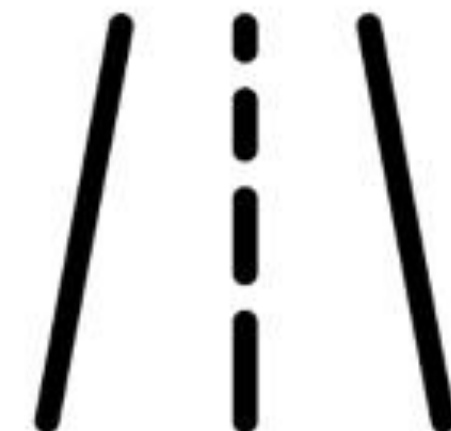
COMPLETE
STREETS



COMPLETE
COMMUNITIES



TENNYSON
CORRIDOR





QUESTIONS / NEXT STEPS

1. Should the Community Agency Funding Process be aligned with Council's three Strategic Initiatives?
2. How Council want the FY 2019 funding process to be aligned to maximize the impact of available resources?
3. Does Council want the FY 2019 funding process to be undertaken using the recommended "hybrid model" and "targeted areas of need"?



THANK YOU FOR THE OPPORTUNITY TO ENGAGE



QUESTIONS / NEXT STEPS

1. Should the Community Agency Funding Process be aligned with Council's three Strategic Initiatives?
2. How Council want the FY 2019 funding process to be aligned to maximize the impact of available resources?
3. Does Council want the FY 2019 funding process to be undertaken using the recommended "hybrid model" and "targeted areas of need"?

Item # 6 PH 17-052

Stonebrae Country Club



Stonebrae Country Club

Village C Final Map

Development Agreement (DA) Extension

Amendment to the Design Guidelines

Damon Golubics, Senior Planner

City Council Meeting - May 23, 2017

Project Background



- ▶ VTTM approved on September 10 , 2002
- ▶ Villages A, B and E complete.
- ▶ Village D almost complete.
- ▶ Village C is the last Village to be built.
- ▶ Permanent Clubhouse, Golf Course and Public Open Space dedicated (1,000 acres)
- ▶ Future Enhancements?

Final Map



- ▶ 96 total lots proposed
- ▶ 71 originally proposed as part of the VTTM
- ▶ Total lots = 650 (2002 approval)
- ▶ Current buildout = 634
- ▶ Clean up!
- ▶ City Engineer has found Final Map consistent with original VTTM

Development Agreement



- ▶ Original term – 10 years
- ▶ 1st extension – 5 years (2008)
- ▶ 2nd extension – 5 years (2013)
- ▶ Final 5 year extension requested
- ▶ Project should be completed in the next 36 months.
- ▶ If extended, this extension would end on February 23, 2023

Design Guidelines Amendment



- ▶ Request to amend the Type 1 product type standards
- ▶ Change would be consistent with overall project density
- ▶ Smaller lot product always envisioned for Stonebrae (7% of total homes)
- ▶ Total average lots size within what was approved.

Village C



MAINTAINING AND EXCEEDING GENERAL PROJECT DESIGN GOALS

- ▶ Village C continues the Stonebrae design and quality standards with integration of home sites, streetscapes, landscapes and common areas.
- ▶ Final Village C plan eliminates earlier designed dead end streets and improves vehicle circulation, emergency access and utilities designs from initial plans in Tentative Map.
- ▶ Lot mix and placement creates clustered lot types and maximizes long view orientation to golf, parklands and bay open space.
- ▶ Overall balance of lot areas and common open space areas are consistent with community.
- ▶ Expands common areas and community amenities beyond prior plans.

Village C



- ▶ Adds an additional alternative path to existing Bay Area Ridge Trail separating bike and pedestrian use, improving safety from current combined use along cart path along golf hole #1. The new trail continues from the Village to the Clubhouse as a separate landscaped access way next to the driving range. This new path will improve community-wide pedestrian circulation.
- ▶ Open space is enhanced with a Butterfly Garden near the Bay Area Ridge Trail access point. Continues open space parcel, with enhanced landscaping, at the current interface with Village B at the intersection of Roslea/Benmore.
- ▶ Achieves a final mix of lot sizes for the Project that is generally consistent with the Project Vesting Tentative Map and increases the range of available home types and sizes.

Village C



- ▶ All residences continue as single-family detached homes.
- ▶ Introduction of an alternative, slightly reduced minimum lot size will permit creation of market-requested smaller, full service executive homes with a mix of 2- and 3-story elements. Homes to feature a more contemporary style, focusing on open space viewsheds, recessed entrances and enhanced sideyard landscaping. The homes are located in proximity (walking distance) to Clubhouse and club recreational facilities.
- ▶ Lot mix maximizes number of homes with living space views oriented to overlook golf, the Bay and open space to Mt. Diablo hills.

Village C



- ▶ Village C is the “last chance” to live at Stonebrae. The new homes will round out the community’s offerings consistent with today’s actual lifestyle and family type – which has changed since the amended Project Plan was adopted in 2002.

Club Lifestyle View Lots



Street
View

Club Lifestyle View Lots



Side entry with pop-up tower



Details at garage



Section 10-9.08

Review by Planning Commission



- ▶ On May 11, 2017, the Commission found that the DA amendment (time extension) would be consistent with the General Plan and recommended that Council approve it.

(Draft meeting minutes in Attachment VIII.)

Recommendation



That the City Council:

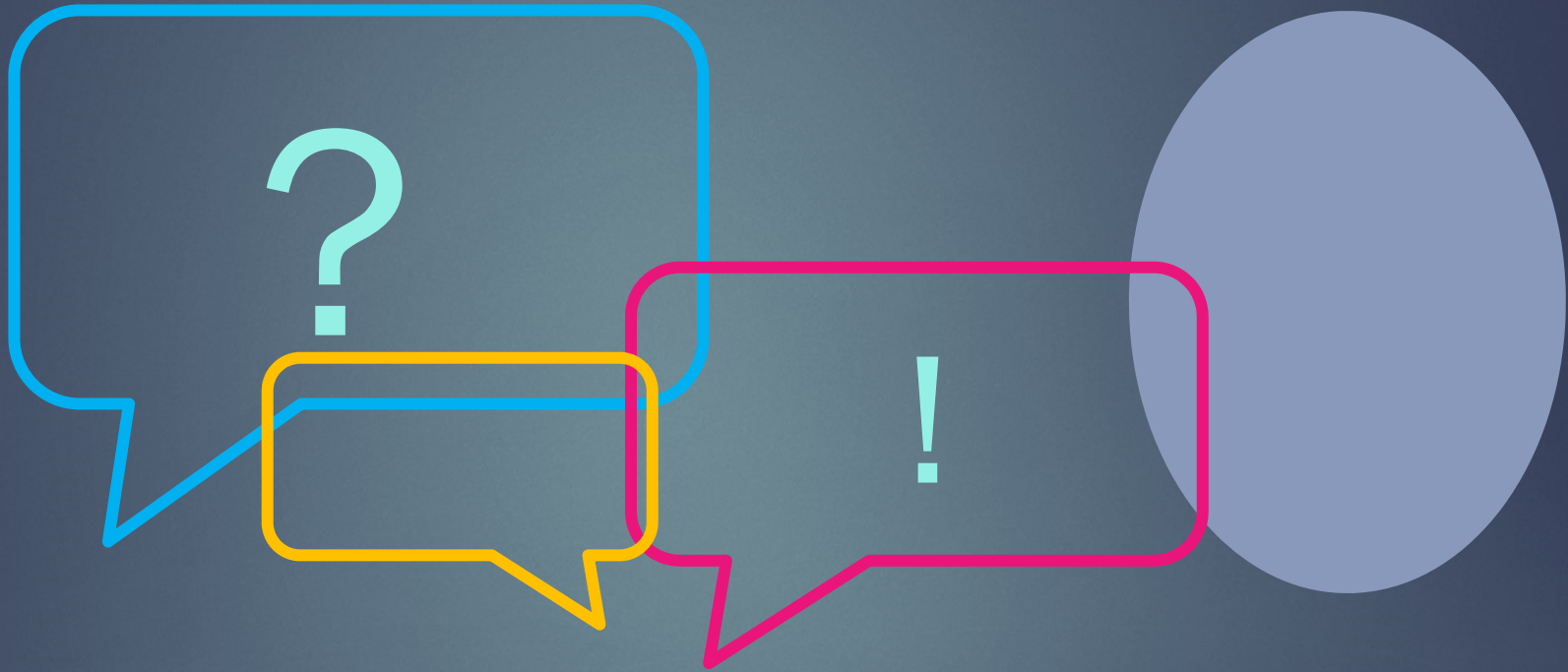
- ▶ 1) Adopts the attached Resolution (Attachment II) to approve Final Map 8356 and find it in substantial conformance with the approved Vesting Tentative Tract Map 5354 and the Conditions of Approval thereof, and to authorize the City Manager to take related actions to effectuate the required improvements for the development;

Recommendation



- ▶ 2) Adopts the attached Resolution (Attachment III) to approve amendments to the Stonebrae Design Guidelines revising Lot Type 1 development standards; and
- ▶ 3) Adopts the attached Resolution (Attachment IV) and introduces the attached Ordinance (Attachment V) extending the project Development Agreement for another five years to allow completion of the last phase of the project.

Questions & Discussion



Item #7 PH 17-047

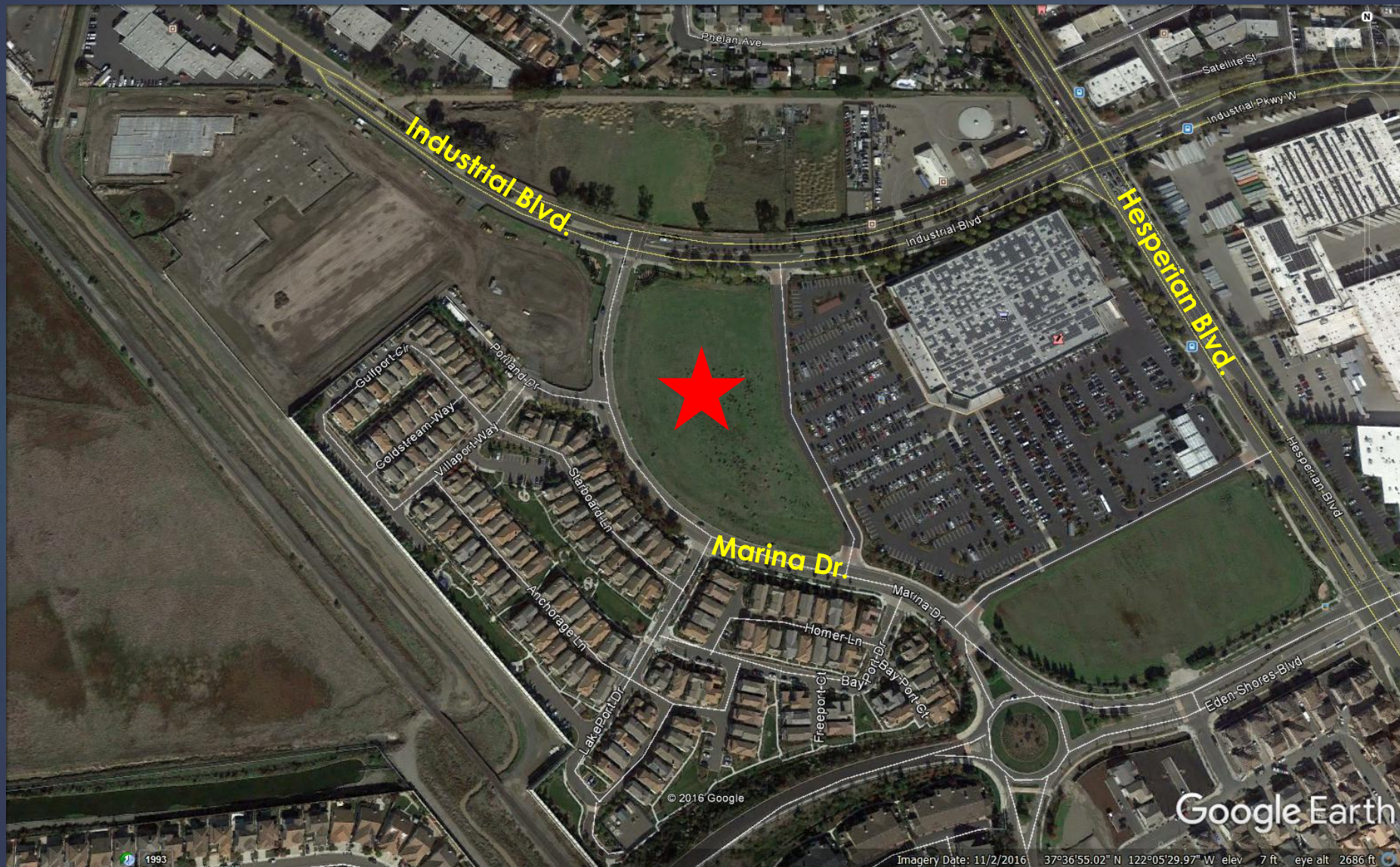
Steelwave Industrial Park



DEVELOPMENT SERVICES

Steelwave Industrial Park

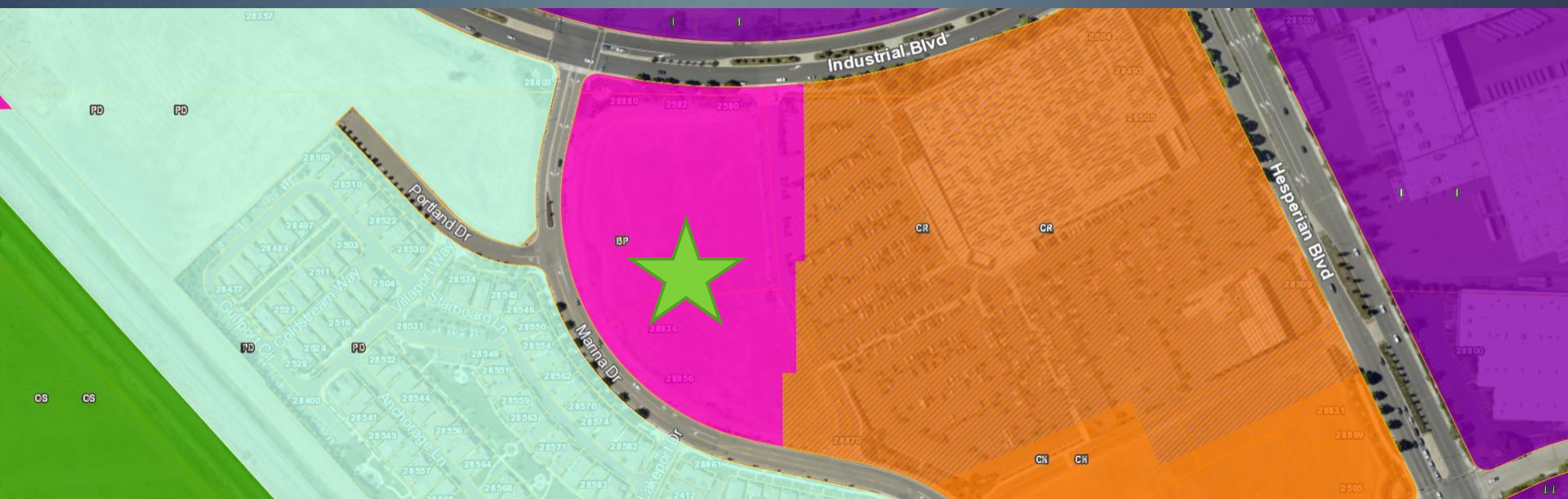
Project Site



Proposed Project



- ▶ **Rezone** Site from Business Park District and Regional Commercial District to Planned Development District.
- ▶ **Construction** of 93,345 square foot light industrial flex building + site improvements.





INDUSTRIAL BLVD.

MARINA DR

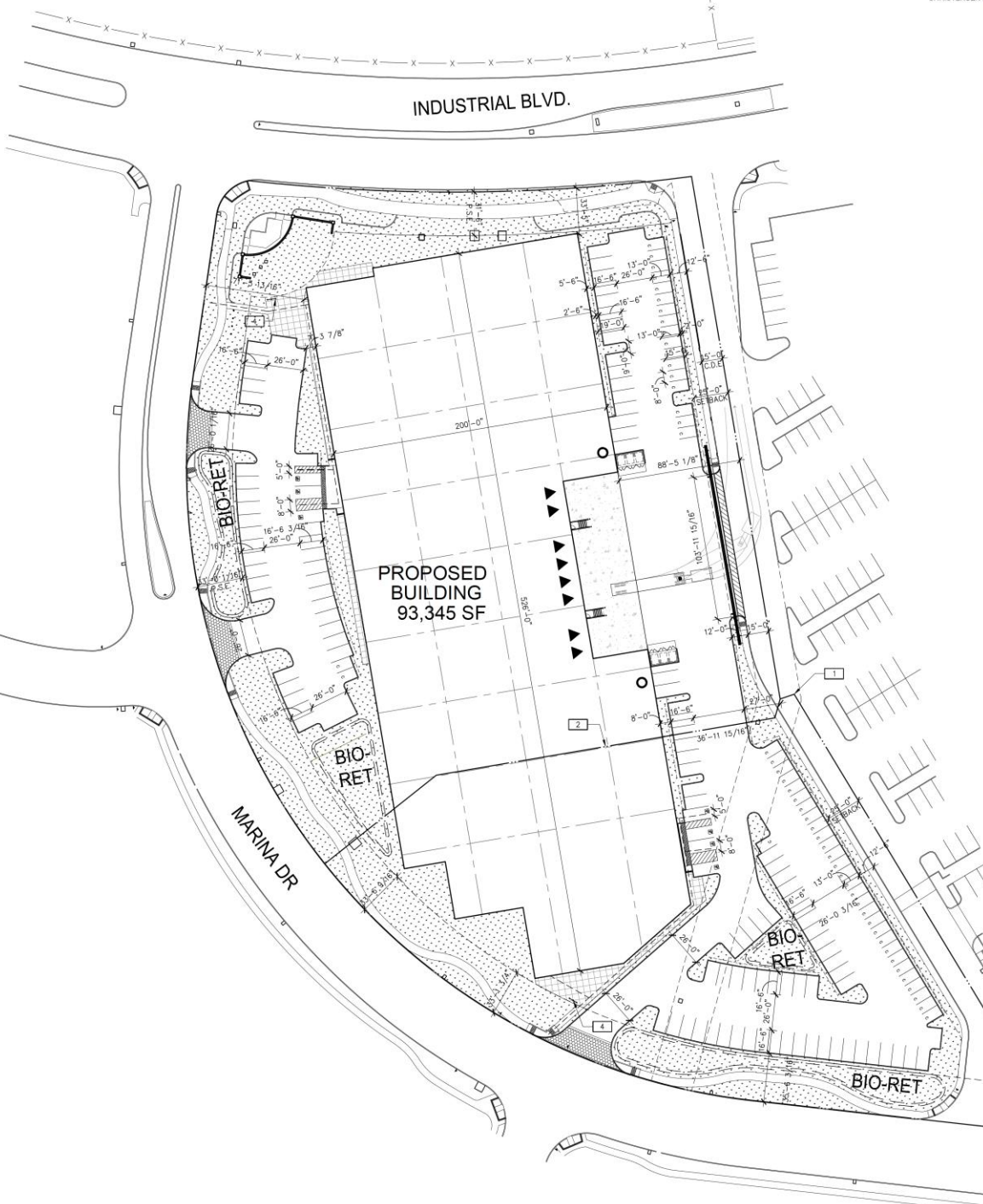
PROPOSED
BUILDING
93,345 SF

BIO-RET

BIO-RET

BIO-RET

BIO-RET



Project Renderings



NORTH ENTRANCE PERSPECTIVE

SCALE: NTS

©



SOUTH ENTRANCE PERSPECTIVE

SCALE: NTS

Ⓐ

Consistent with General Plan & Other Policies



Supports General Plan goals and policies:

- ▶ Improve jobs-housing balance;
- ▶ Complete neighborhoods with a mix of uses;
- ▶ Flexible land use regulations;
- ▶ Promote specialized manufacturing; R&D and other advanced industry uses;

Economic Development Strategic Plan Goals and Policies.

CEQA



- ▶ **Addendum** prepared which tiered off a 2007 Mitigated Negative Declaration related to the South of Route 92 Development which included the subject site.
- ▶ **No substantial change** to the project or site circumstances that would result in impacts not already identified in previous environmental analysis.
- ▶ Previously adopted **Mitigation Measures** incorporated as conditions of approval.

Recommendation



City Council make the required findings to approve the Zone Change to construct the new Steelwave Industrial Park; and Adopt an Addendum to the previously approved Mitigated Negative Declaration, subject to the recommended conditions of approval.

Questions & Discussion



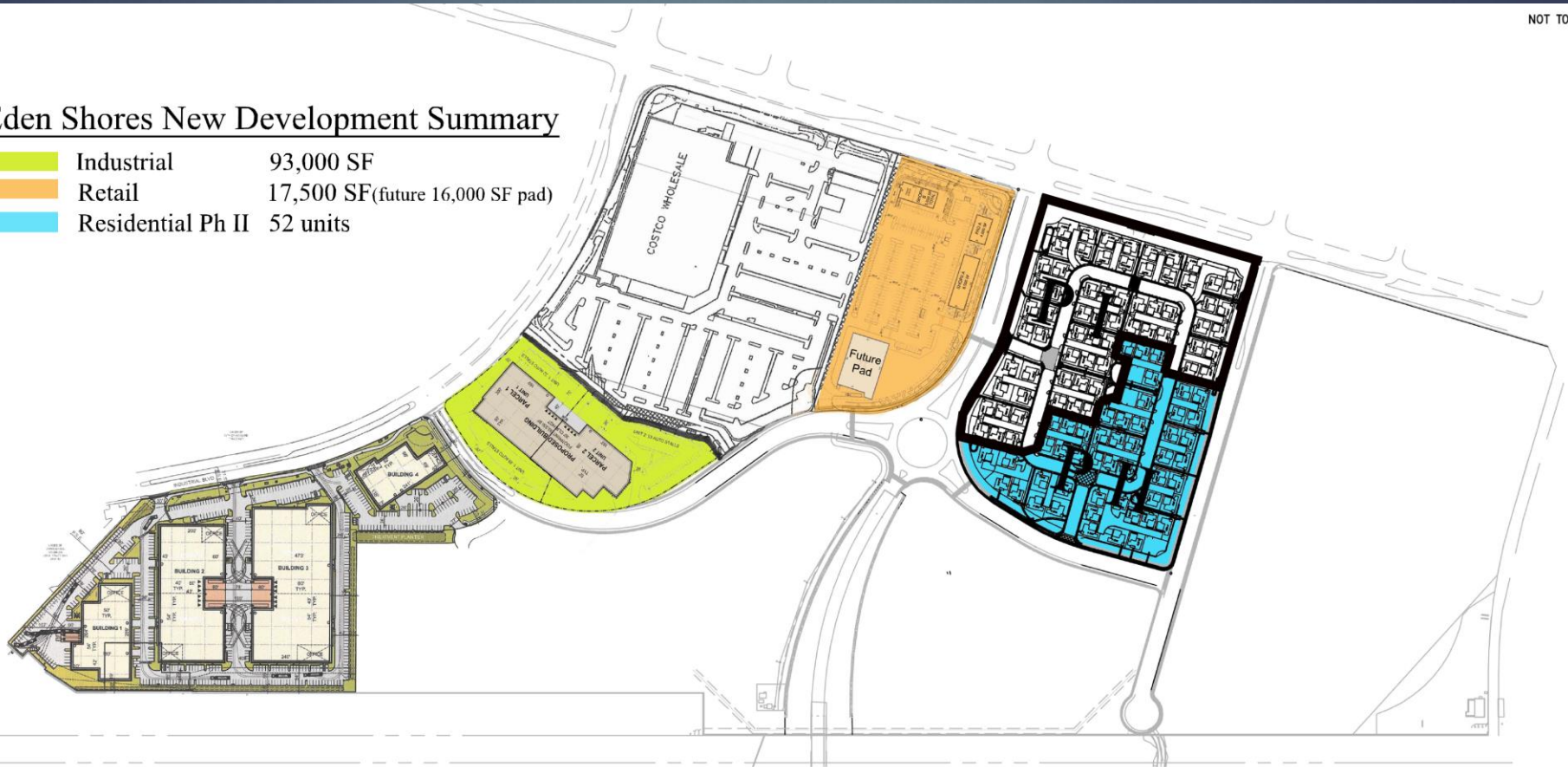
Eden Shores Development Summary



NOT TO SCALE

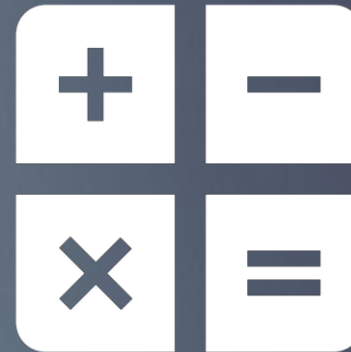
Eden Shores New Development Summary

Industrial	93,000 SF
Retail	17,500 SF (future 16,000 SF pad)
Residential Ph II	52 units



Item #9 WS 17-024

FY 2018 Operating Budget



FY 2018 Operating Budget: Cost Drivers & Closing the Gap

Kelly McAdoo, City Manager
Dustin Claussen, Director of Finance

MAY 20, 2017

PRESENTATION OVERVIEW



- ▶ How Did We Get Here?
- ▶ Cost Drivers Overview
- ▶ Discuss Options To Close the Gap
- ▶ Next Steps
 - ▶ Items for follow up at Work Session 2 on June 6, 2017
 - ▶ Library Staffing Options
 - ▶ Passport Program
 - ▶ Airport Hangar Fee Information

How Did we get here?



General Fund Budgeted Expenses (in \$1,000s)

	FY2015 Adopted Budget	FY2016 Adopted Budget	FY2017 Adopted Budget	FY2018 Proposed Budget
GF Budgeted Positions (FTE)	642.7	646.7	651.2	657.8
Salaries/Wages	\$65,353	\$67,246	\$69,646	\$74,610
Medical/Dental	12,007	12,596	13,022	12,805
PERS	18,359	21,313	23,919	24,152
OPEB (Pay-Go)	2,242	2,809	2,846	2,794
Other Fringe Benefits	1,818	1,328	2,255	1,624
Workers Comp	5,013	5,162	6,335	5,903
Net Staffing Expense	\$104,792	\$110,454	\$118,023	\$121,888
Non-Employee Related Costs	\$19,345	\$21,142	\$22,403	\$24,599
Transfers Out	\$9,621	\$8,826	\$8,603	\$10,859
Total GF Expenditure Budget	\$133,758	\$140,422	\$149,029	\$157,346

PERS Rate Changes in Perspective



- ▶ Significant PERS Plan & Assumption Changes
- ▶ In December 2016 PERS announced a change to the discount rate (expected rate of return) reducing the rate from 7.5% to 7.0%. This change will be phased in over 3 years starting FY 2019. This change projects to increase PERS costs to the General Fund of \$8 M by FY 2022

	FY 2015	FY 2016	FY2017	FY 2018	FY2019	FY 2020	FY 2021	FY 2022	FY 2023
Police	\$8.7	\$9.6	\$10.8	\$12.2	\$13.8	\$15.5	\$16.5	\$17.6	\$18.4
Fire	5.9	6.3	7.1	8.0	9.0	10.1	10.9	11.7	12.3
Misc.	8.9	9.4	10.4	11.4	12.8	14.2	15.2	16.2	17.1
Total	\$23.5	\$25.3	\$28.3	\$31.6	\$35.6	\$39.8	\$42.6	\$45.5	\$47.8
% Change over prior year		8%	12%	11%	13%	12%	7%	7%	5%
\$ Change over prior year		\$1.8	\$3.0	\$3.3	\$4.0	\$4.2	\$2.8	\$2.9	\$2.3

NOTE: Amounts in this table are for the City's plans in total, and are not specific to the General Fund only

OPEB (Retiree Medical)

Total Estimated OPEB Unfunded Actuarial Liability (UAL) as of June 30, 2017	\$108.3 M
(A) Actuarially Required Contribution (ARC)*	\$13.2 M
(B) Projected FY 2018 Pay-go amount **	\$2.9 M
(C) FY 2018 Proposed UAL Contribution**	\$1.0 M
FY 2018 Unfunded ARC assuming proposed amounts (A) – (B) – (C)	\$9.3 M

* Includes both the Pay-go and UAL amounts

**Amount is included in the proposed FY 2018 Operating Budget

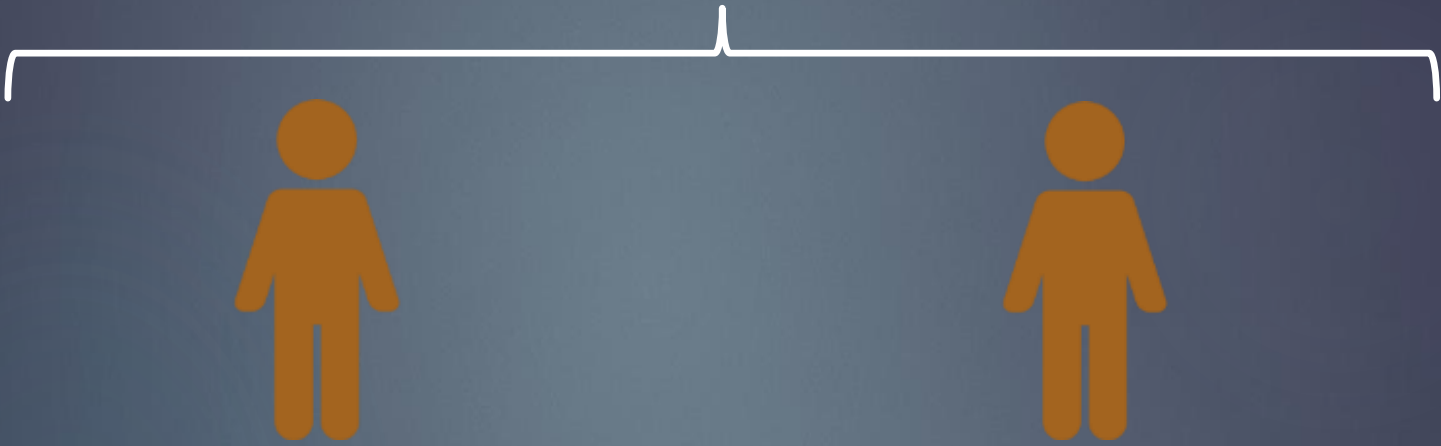
OPEB What's Changed?

	Explicit Liability	Implicit Liability*	Total
Actuarial Accrued Liability	\$83,613,476	\$28,411,642	\$ 112,025,118
Value of Assets in Trust	3,684,251	-	3,684,251
Unfunded Actuarial Accrued Liability	79,929,225	28,411,642	108,340,867
FY 2018 Projected ARC	9,320,873	3,866,483	13,187,356

*the Implicit Liability was not calculated in previous valuations. GASB 45, among other things required agencies to calculate and disclose both Explicit and Implicit Liabilities related to OPEB.

Understanding Implicit Subsidy & Liabilities

CITY OF HAYWARD RETIREE INSURANCE PLAN(s)



RETIREE 1			RETIREE 2	
Premium	\$500	↔	Premium	\$500
Claims Paid	\$200		Claims Paid	\$1,000
Unspent Premium	\$300	→	Unspent Premium	\$0
Implicit Subsidy	\$0		Implicit Subsidy	\$300
Implicit Liability	\$0		Implicit Liability	\$200

Closing the Gap in FY 2018



Possible Temporary (One-Time) Strategies to Close FY 2018 General Fund Budget Gap

OPTIONS	ONE-TIME STRATEGY
1	Reduce General Fund allocation to Internal Service Funds
2	Deferral of Recruitment for Vacant Non-Sworn Positions to 10/1/2017
3	Pre-payment of FY 2018 PERS ARC
4	Deferral of OPEB ARC Contribution
5	Lease financing large equipment purchases
POTENTIAL FY 2018 GENERAL FUND SAVINGS: \$12.7 MILLION	

Option 1: Reduce General Fund allocation to Internal Service Funds *(Recommended)*



Internal Service Fund (ISF)	Projected FY 2017 Fund Balance Reserve Amount	Recommended Amount to Be Used from ISF Fund Balance Reserves	Projected FY 2018 Fund Balance Reserves* (With reduction in FY 2018 GF Allocation)
Fleet**	\$12.9M	\$3.2 M	\$8.9M
Facilities**	\$700k	257k	\$443k
IT**	\$3.8 M	\$529k	\$3.27M

Projected savings: \$4.0 M

*Fund Balance includes more than cash on hand and is not equivalent to “Working Capital Fund Balance” as shown in budget document

** Includes both Operating and Capital/Replacement Funds

Option 2: Defer Filling of Vacant Positions & Adding New Library Positions (*Recommended*)

- ▶ 3 Month deferral of filling vacant non-sworn positions in the General Fund
 - ▶ Fill positions as of 10/1/17
- ▶ Add new staff for the 21st Century Library and Community Learning Center @ Mid-Year, 2018
 - ▶ Fill new Library positions on 1/1/18

Projected savings: \$1.82 M

Option 3: Pre-payment of FY 2018 PERS ARC *(Recommended)*



- ▶ FY 2018 Annual projected contribution for the General Fund is \$24.2 M
- ▶ City currently pays this expense on a monthly basis at approximately \$2M each month

Projected savings: \$ 700 k

Option 4: Deferral of OPEB ARC *(Not Recommended)*

- ▶ Approach would still cover Pay-go portion of payment
- ▶ Will likely result in an increase to the annual ARC moving forward
- ▶ **Not recommended** by Council Budget and Finance Committee and staff

Projected savings: \$1.0 M

Option 5: Lease vs. Purchase of High Value Equipment (*Not Recommended*)



- Increases costs in future years as payments are spread across fiscal years
- Adds to financing charges
- Allows for predictable budgeting for equipment
- Also **not recommended** by Council Budget and Finance Committee and staff without cost/benefit analysis and even then only done on a case by case basis...

Projected savings: \$2.7 M

Recommended Strategies to Close the Gap



Total Use of General Fund reserves as originally Proposed	(\$10.4M)
One-time General Fund Expenditure Reduction Strategies	
Option 1 (Reduce GF allocation to Internal Service Funds)	(\$4.0 M)
Option 2 (Deferral of hiring date for vacant positions)	(1.8 M)
Option 3 (Pre-payment of OPEB ARC)	(700 k)
Total Expenditure Reduction to GF from amounts Proposed	(\$6.50 M)
Additional Revenue <i>(not included in FY 2018 Proposed Operating Budget)</i>	
Intergovernmental Revenue	
Fire	1.3 M
PD	371 k
Total Increase to GF Revenues over amount Proposed	\$1.67 M
Total Revised Estimated General Fund Gap FY 2018 (Recommended use of reserves)	(\$2.23 M)

Next Steps...

- ▶ The Budget Strategy Team will Continue to...
 - ▶ Collaborate with and leverage work done by Management Partners
 - ▶ Further Identify Long-Term Fiscal Sustainability Strategies
 - ▶ Identify New & Augmenting Current Revenue Sources
 - ▶ Manage Budget to reduce use of General Fund Reserves
 - ▶ Develop Implementation Plan for Identified Strategies
- ▶ Employee Focus Groups
- ▶ Council Retreat/Workshop Fall 2017

FY 2018 Council Budget Calendar



May 9, 2017: Presentation of Proposed Budget *(Completed)*

May 20, 2017: Saturday Budget Work Session #1 *(Completed)*

May 23, 2017: Continuance of Budget Work Session #1 *(Tonight)*

June 6, 2017: Operating & CIP Budget Work Session #2

- Follow-Up Items from May 20th Budget Work Session
 - ✓ Library Staffing Options
 - ✓ Passport Program
 - ✓ Airport Hangar Fee Information
- CIP Budget

June 13, 2017: Budget Work Session #3 *(if necessary)*

- June 20, 2017:
1. Public Hearing on Operating & CIP budgets
(and possible adoption)
 2. Adoption of 3 Strategic Initiatives



Questions & Discussion



Item #10 LB 17-020

Water Supply Availability & Conservation Regulations



Update on Water Supply Availability and Conservation Regulations

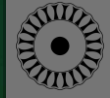
UTILITIES & ENVIRONMENTAL SERVICES

Alex Ameri
Director of Utilities & Environmental Services

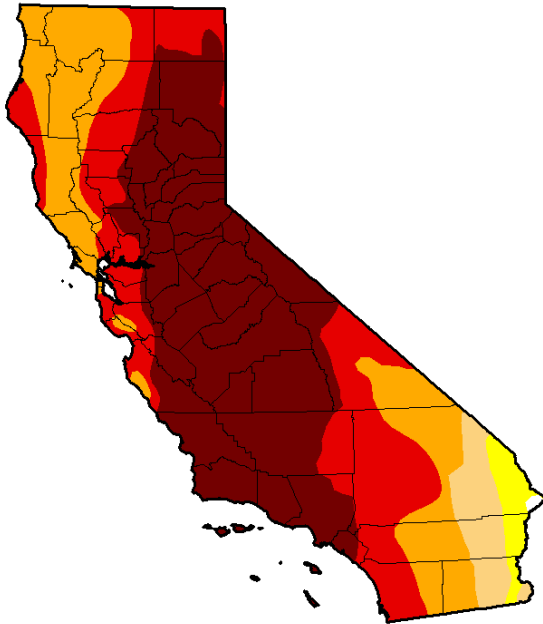
May 23, 2017

Recent Drought Conditions

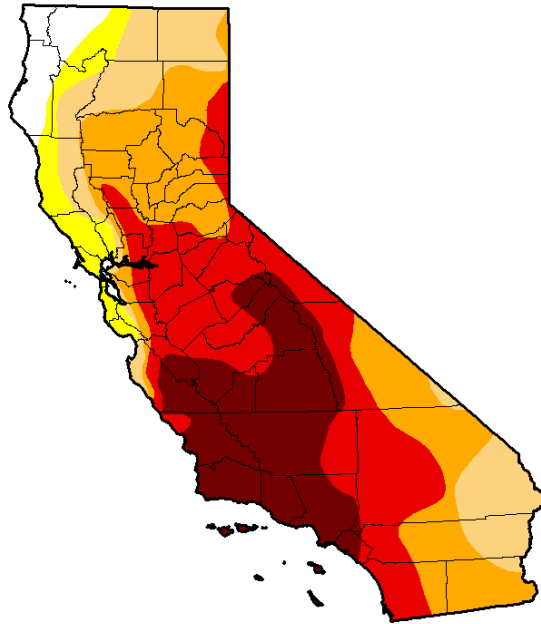
U.S. Drought Monitor - California



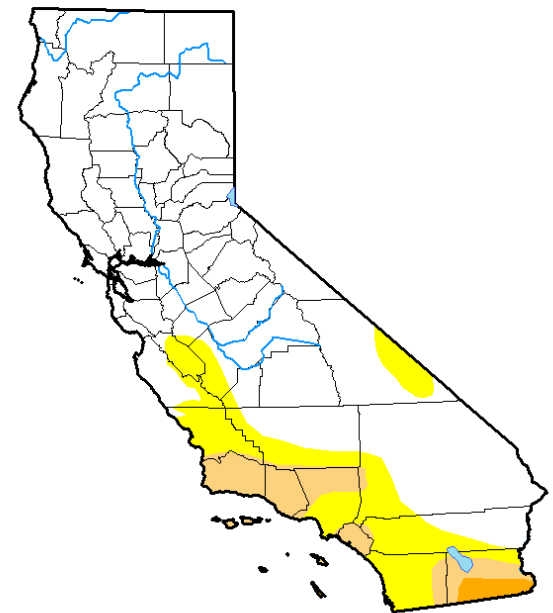
2015



2016



2017

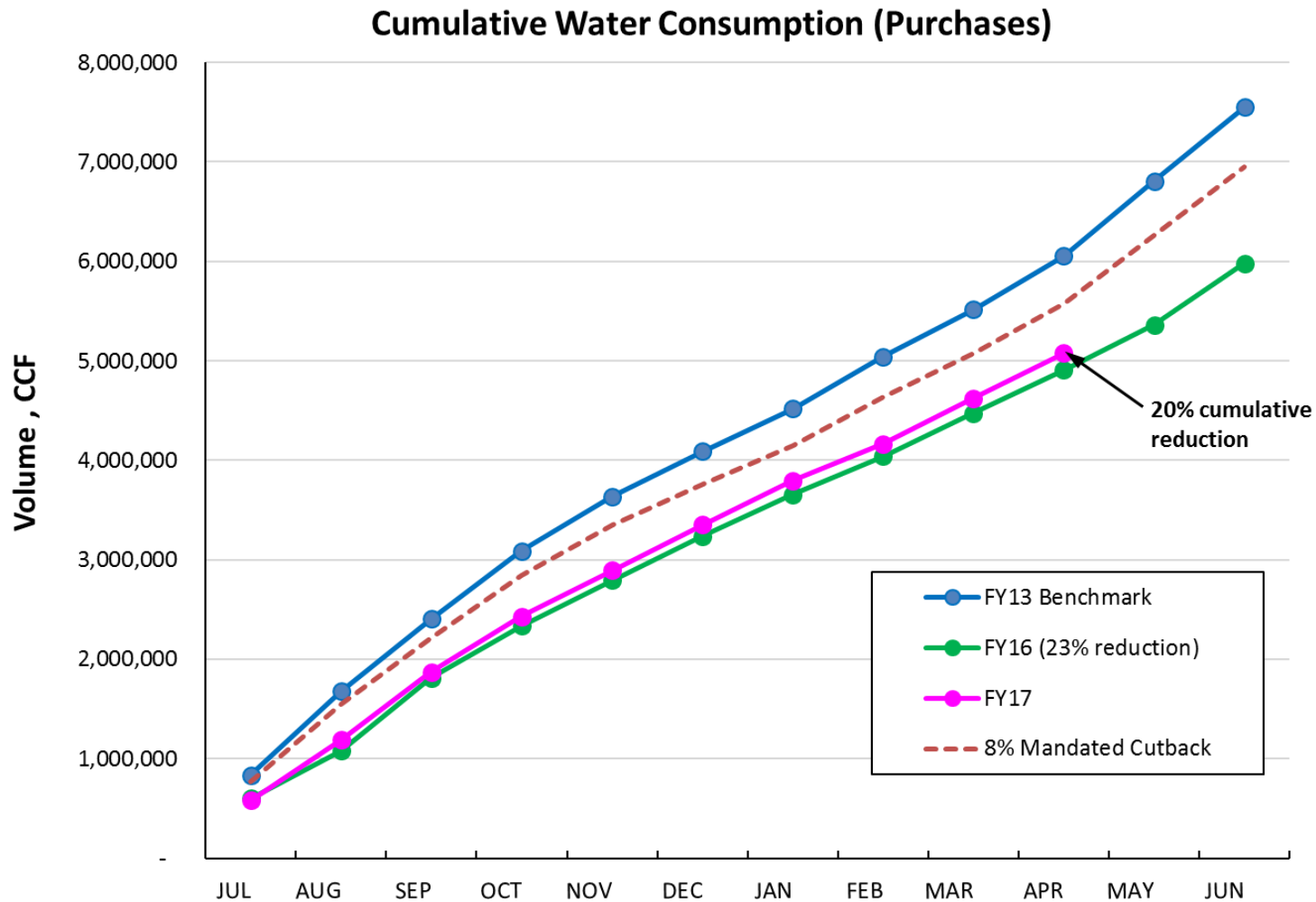


Intensity:

D0 - Abnormally Dry
D1 - Moderate Drought
D2 - Severe Drought

D3 - Extreme Drought
D4 - Exceptional Drought

Hayward Drought Reduction



End of Drought Emergency Gives Way to Conservation as 'Way of Life'

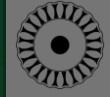
📅 APRIL 21, 2017 👤 VALERIE NERA 💧 WATER

California Chamber of Commerce

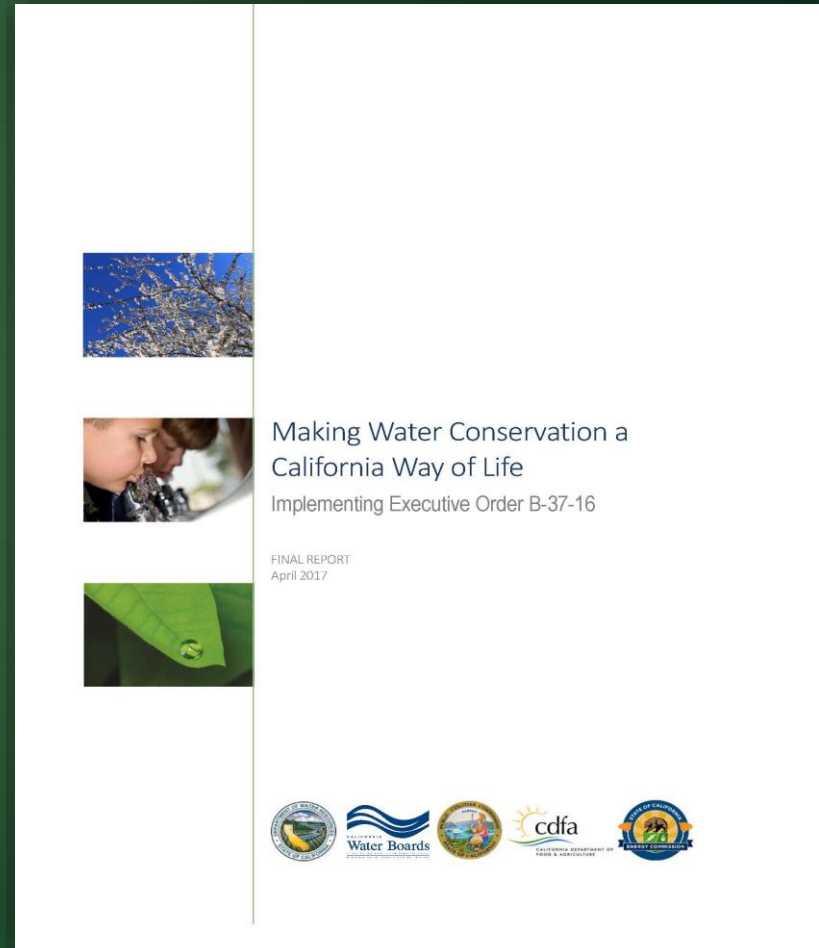


Photo courtesy of SFPUC

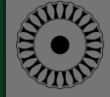
Making Water Conservation a California Way of Life



- ▶ Long-term conservation framework
- ▶ Promote efficient water use regardless of water supply conditions
- ▶ Strengthen drought planning and resiliency

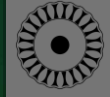


Long-term Conservation Framework



- ▶ Permanent prohibitions on wasteful water activities
- ▶ Permanent monthly reporting of water usage
- ▶ New Long-term water use targets
 - Separate indoor and outdoor targets
 - Water efficiency standards for non-residential use
- ▶ Enhanced drought planning
- ▶ Management of water system leaks

Recommended Hayward Water Shortage Actions



1. Rescind Stage I Water Shortage Declaration
2. Amend City Ordinance to make permanent additional prohibitions on wasteful water practices

Council Sustainability Committee has reviewed these and recommends approval.

Water Conservation. **IT'S FOR LIFE.**



Questions & Discussion

