

CITY COUNCIL MEETING

MAY 17, 2022

PRESENTATIONS

ITEM #13

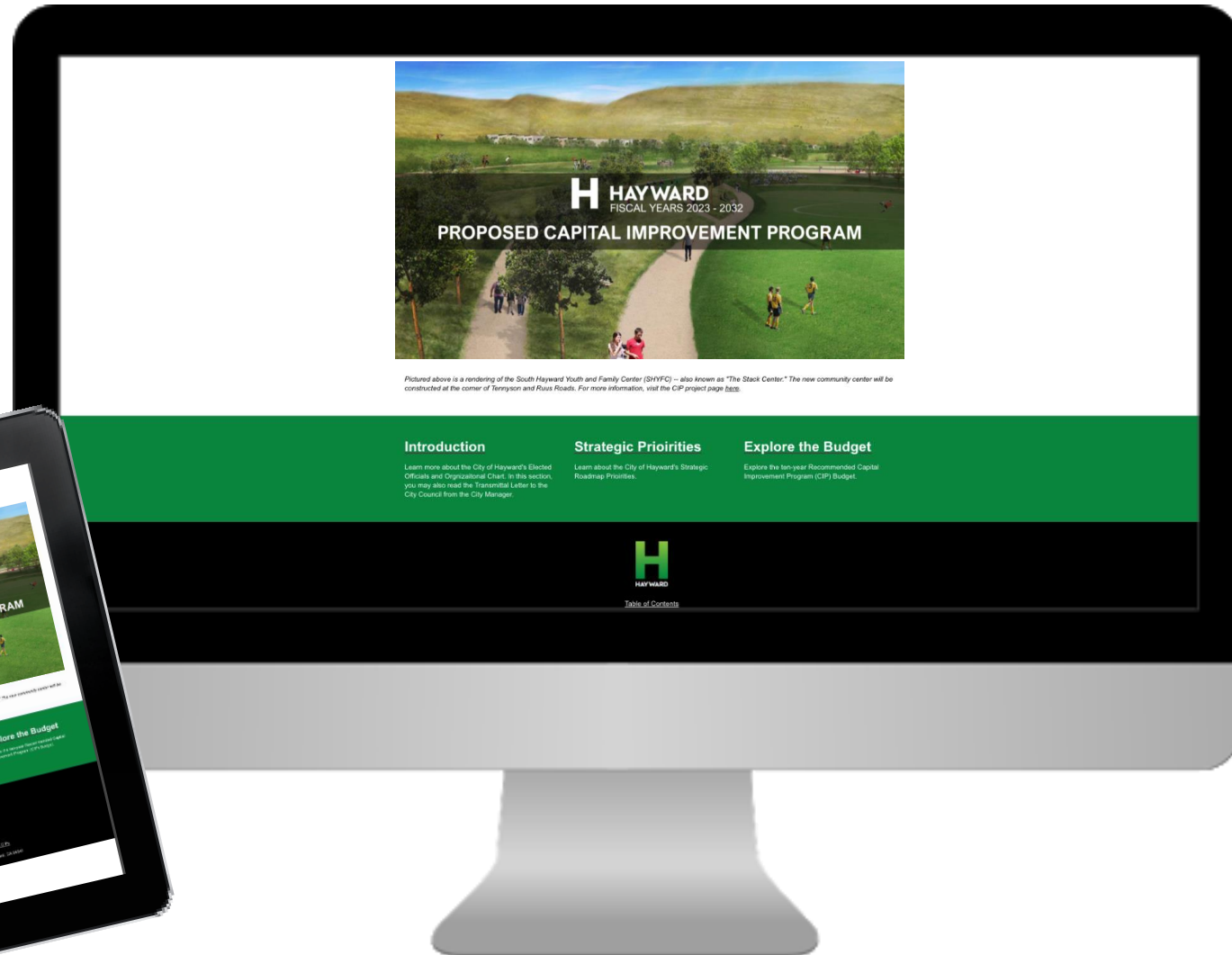
WS 22-011

**REVIEW OF RECOMMENDED
CAPITAL IMPROVEMENT
PROGRAM FOR
FY 2023 – FY 2032**

An aerial rendering of a park. A winding dirt path leads through a grassy area with several trees. To the right of the path is a large green soccer field with white markings. A few people are playing soccer on the field. In the background, there are rolling green hills under a clear blue sky. The overall scene is bright and sunny.

FISCAL YEARS 2023 - 2032 RECOMMENDED CAPITAL IMPROVEMENT PROGRAM City Council Work Session

Alex Ameri, Director of Public Works
May 17, 2022



www.hayward-ca.gov/CIP

FY23 Recommended CIP Budget: **\$118M**

Ten-Year CIP Total: **\$634M**

General Fund Transfers

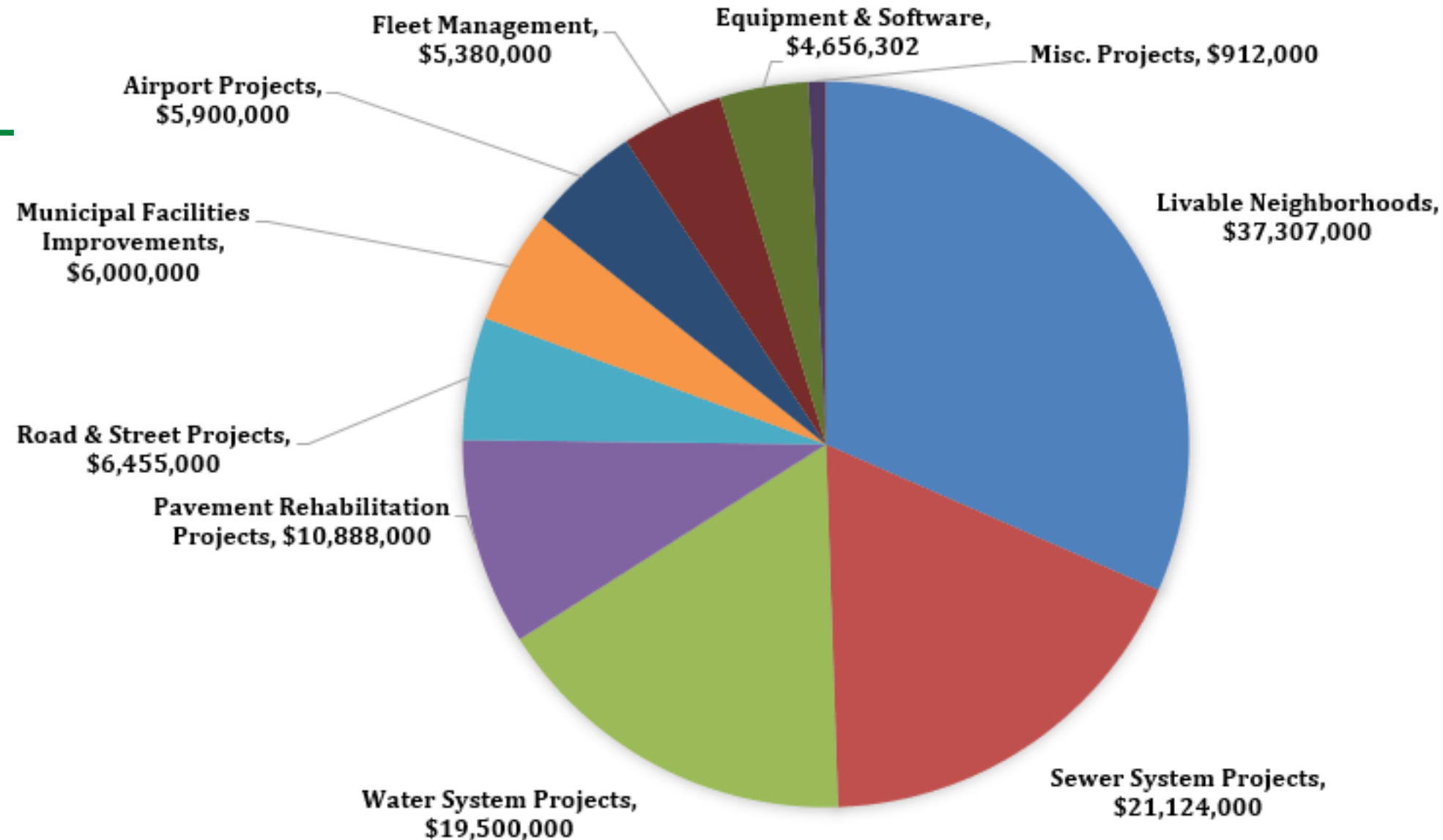
CIP Fund	FY 2022 GF Transfer	FY 2023 GF Transfer	Increase / (Decrease) from FY 2022
405/Capital Projects (General)	\$2,160,000	\$1,539,000	(\$621,000)
410/Route 238 Corridor Improvement	\$185,000	\$0	(\$185,000)
460/Transportation System Improvement	\$650,000	\$500,000	(\$150,000)
726/Facilities Management Capital	\$847,000	\$710,000	(\$137,000)
731/Information Technology Capital	\$859,000	\$1,000,000	\$141,000
736/Fleet Replacement	\$650,000	\$161,000	(\$489,000)
Total Cost to General Fund	\$5,351,000	\$3,910,000	(\$1,441,000)

Internal Service Fees

CIP Fund	FY 2022 ISF	FY 2023 ISF	Increase /(Decrease) from FY 2022
726/Facilities Management Capital	\$350,000	\$350,000	\$0
731/Information Technology Capital	\$851,000	\$855,000	\$4,000
736/Fleet Management Capital (General Fund)	\$1,500,000	\$3,000,000	\$1,500,000
737/Fleet Replacement (Enterprise Funds)	\$657,000	\$606,000	(\$51,000)
Total ISF	\$3,358,000	\$4,811,000	\$1,453,000

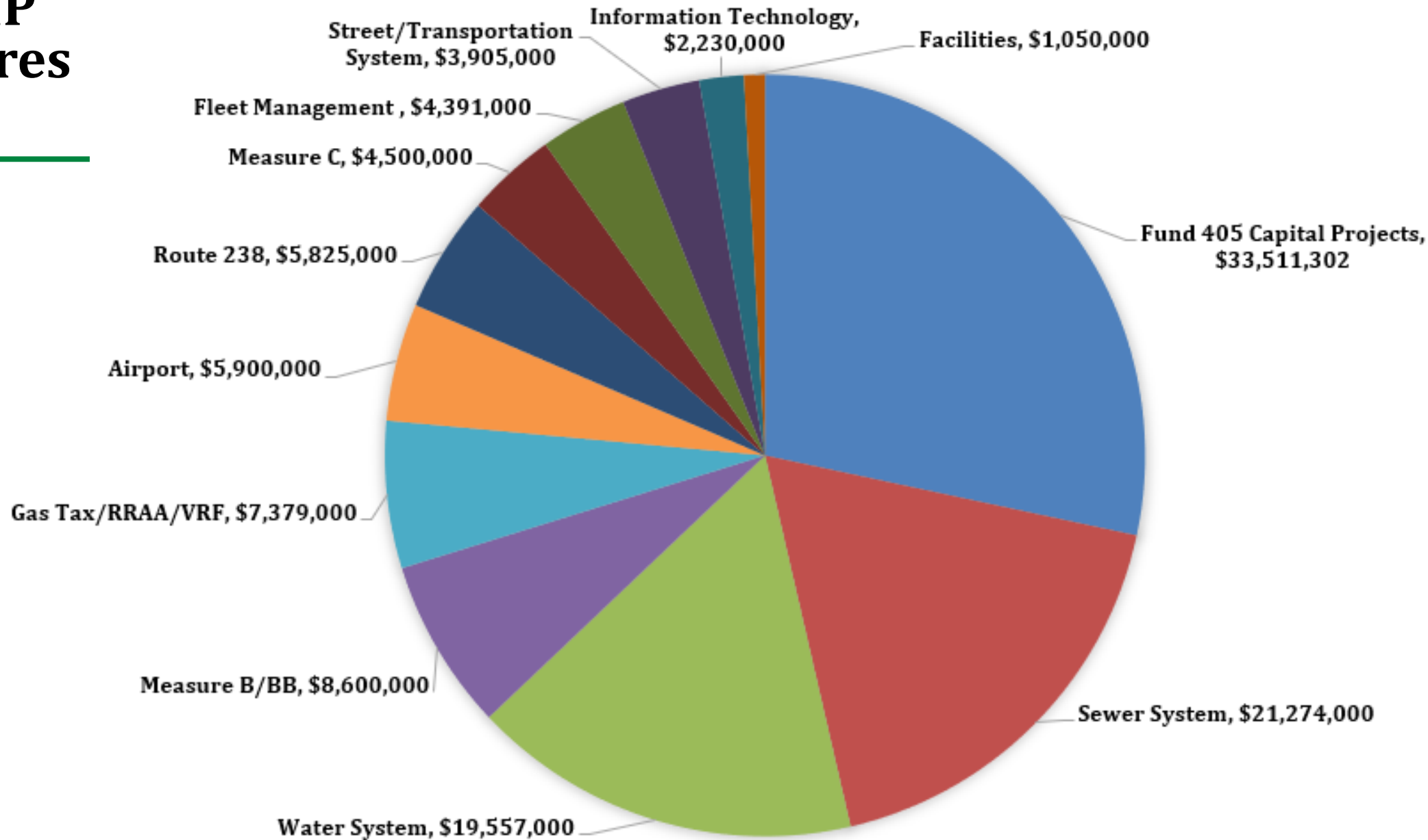
FY 2023 CIP Expenditures by Category

Total:
\$118M



FY 2023 CIP Expenditures by Fund

Total:
\$118M



Livable Neighborhoods

- La Vista Park
- Campus Drive Improvements
- Transportation Equity Plan
- FY23 New Sidewalk Program



Road & Streets

- Mission Blvd Corridor Improvement Project Phase 3
- Main Street Complete Street



Pavement Rehabilitation

- FY23 Pavement Rehabilitation Program



Municipal Facility Improvements

- Fire Station No. 6 & Training Center
- Corporation Yard Needs Assessment Project



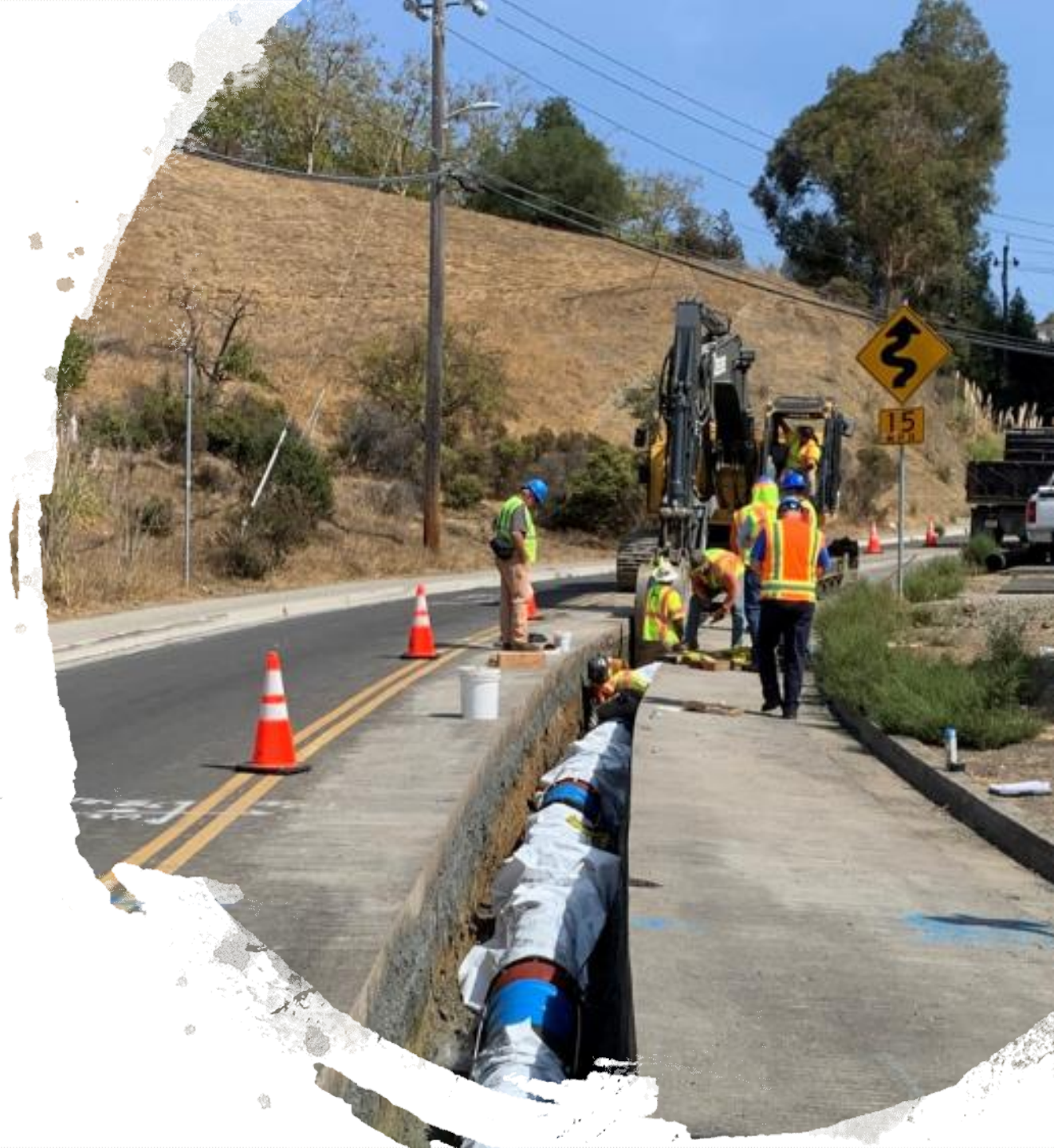
Sewer System

- FY23 Sewer Line Replacement
- WPCF Facilities Plan Phase II
- Nutrient Management Upgrades
- Recycled Water Project



Water System

- Cast Iron Water Pipeline Replacement Program
- FY23 Water Line Replacement Project



Fleet Management

- Fleet replacement across various divisions
- Citywide EV Charging Strategy Upgrade & Publicly Accessible Faster Chargers
- Related Strategic Roadmap Projects
 - *Transition 15% of Fleet to EV/Hybrid Models*





Equipment and Software

- Equipment and software implementations across various Departments



Airport

- Taxiway Zulu Pavement Rehabilitation
- Sulphur Creek Safety Enhancement – Construction Project



Miscellaneous

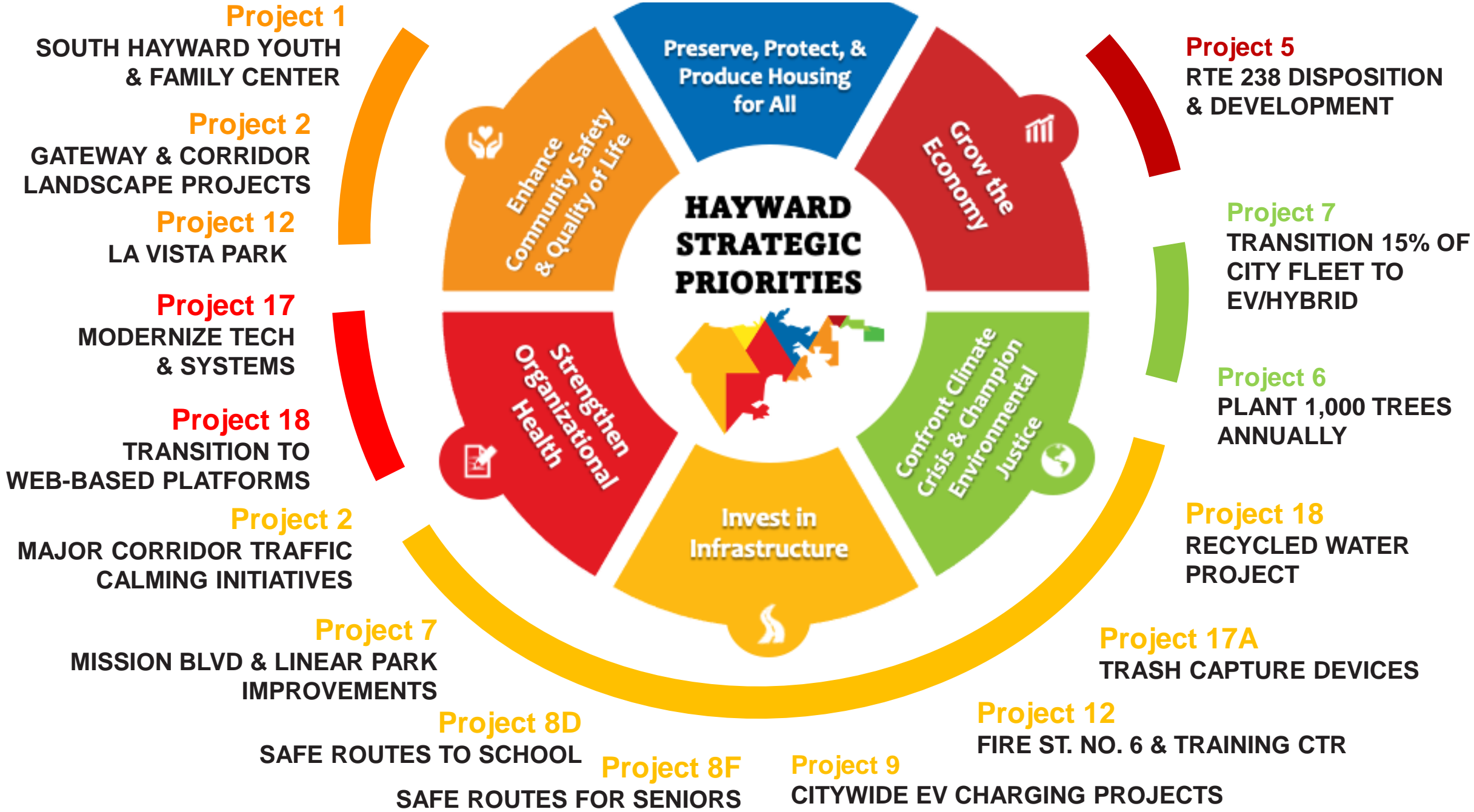
- Comprehensive General Plan Update
- Property Acquisition Management
- Route 238 Property Projects
- Parcel Group Projects





Identified & Unfunded Capital Needs

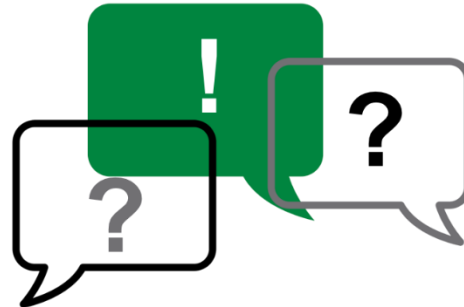
Fleet:	\$600,000
Information Technology:	\$967,000
Street Improvement:	\$6,420,000
Airport:	\$16,000,000
Alternate Modes:	\$41,982,000
Interchange:	\$63,100,000
Pavement Maintenance:	\$90,000,000
Facilities and Improvement:	<u>\$282,100,000</u>
Total:	\$501,169,000



Work Session Format

1. Public Comments
2. Council Questions & Discussion

Recommendation: That the Council reviews and comments on the
Recommended FY 2023 – 2032 CIP



PUBLIC HEARING

ITEM #14

PH 22-027

**ADOPTION OF A RESOLUTION
ADOPTING A NEXUS STUDY AND
INTRODUCTION OF AN ORDINANCE
ADDING ARTICLE 30 TO CHAPTER 10
OF THE HAYWARD MUNICIPAL
CODE REGARDING TRAFFIC
IMPACT FEES FOR DEVELOPERS**

City of Hayward

Traffic Impact Fee

City Council Public Hearing

May 17, 2022

Agenda

- City Goals and Purpose
- Process Overview & Stakeholder Outreach
- Outreach Feedback Summary
- Financial Feasibility Findings
- Staff Recommendation
- Jurisdictional Comparisons
- Local Transportation Analysis Integratrion & Coordination
- Next Steps
- Q&A

City Goals and Purpose

- Address cumulative **impacts of growth** on City streets
- **Streamline** City transportation **review process**
- **Avoid disincentivizing** new development
 - Evaluate financial feasibility
 - Compare across jurisdictions
- Be attentive to **economic recovery** in sectors most impacted by COVID

Process Overview

Traffic Impact Fee (TIF)

- **Nexus Study** provides maximum allowable fees
- **Feasibility Study** analyzes development feasibility and impact of TIF
- **Jurisdictional Comparisons**
- **Staff Recommendation**

Local Transportation Analysis (LTA) Process

- **Simplify LTA Process**
- **Integrate with TIF** to avoid disincentivizing new development

Outreach Summary

- Stakeholder outreach at multiple points throughout process
 - Including Chamber of Commerce, Chamber's GRC, and two developer stakeholder meetings
- Council Infrastructure Committee – February 23, 2022
- Planning Commission – April 14, 2022
- City Council Work Session – May 3, 2022

Development Feasibility Summary

PROMISING | **POSSIBLE** | **MARGINAL** | **CHALLENGED**

Promising: Industrial Warehouse

- Extremely strong regional demand
- Central location
- Modeling shows positive residual land value

Possible: Life Sciences

- Strong regional demand
- Development costs are very high for these products
- Need high rents, possibly upward of \$50 psf

Development Feasibility Summary

PROMISING | POSSIBLE | MARGINAL | CHALLENGED

Marginal:

Single Family Residential & Townhomes

- Strong regional demand for housing
- Some development is occurring, especially townhouses
- Strong sales prices
- High development and land costs create challenges

Multifamily Residential

- Limited recent multifamily development
- Impacts of pandemic and ongoing eviction moratoria
 - Decreased lease rates
 - Increase vacancy rates and credit loss
- Strong regional demand for housing

Development Feasibility Summary

PROMISING | POSSIBLE | MARGINAL | CHALLENGED

Challenged

Retail Center (Anchored)

- Uncertain future due to pandemic
- Achievable lease rates do not support new construction
- Some retail anchors can make new retail more feasible

Retail – Restaurant

- Similar trends to general retail
- Housing growth may support incremental additions to inventory

Commercial Office

- Weak market demand
- Lease rates generally do not support new construction

Staff Recommendation

Fee Reductions

- Reduce single family detached residential rates by 70%
- Reduce townhome residential rates by 55%
- Reduce nonresidential rates by 30%

Postpone Selected Land Uses

- Postpone implementation of traffic impact fees for all other residential, retail and office uses
- Serve broad economic development and public purposes

Multiple Industrial Categories

- Include separate rates for different industrial uses: General Industrial and Distribution/e-Commerce

Staff Recommendation

Land Use	Maximum Allowable	Reduction	Fee	Feasibility	Waived?
Single Family (per unit)	\$11,584	70%	\$3,475	Marginal	No
Townhomes (per unit)	\$7,761	55%	\$3,492	Marginal	No
Multifamily (All Other) (per unit)	\$7,761		-	Marginal	Yes*
Retail (per KSF)	\$19,460		-	Challenged	Yes*
Office (per KSF)	\$16,449		-	Challenged	Yes*
General Industrial (per KSF)	\$4,633	30%	\$3,243	Promising	No
Distribution/e-Commerce (per KSF)	\$8,224	30%	\$5,757	Promising	No

- KSF is one thousand square feet
- *For development feasibility purposes

Benefits of Traffic Impact Fee

Increased Certainty

- Fee schedule available in advance
- Plan for approximate fee based on schedule
- Systemwide transportation improvement costs are spread across all new development

Simplified Process

- Simplifies the overall LTA process
- Improvements in the TIF are excluded from LTA

Decreased LTA Costs

- With TIF traffic study costs are reduced
 - Current: \$50,000 – 65,000
 - With TIF: \$25,000 – 40,000

Reduced Approval Time

- Time required for review and approval of LTA are reduced
 - Current: ~ 12 weeks
 - With TIF: ~ 6-8 weeks

TIF Exemptions and Effective Date

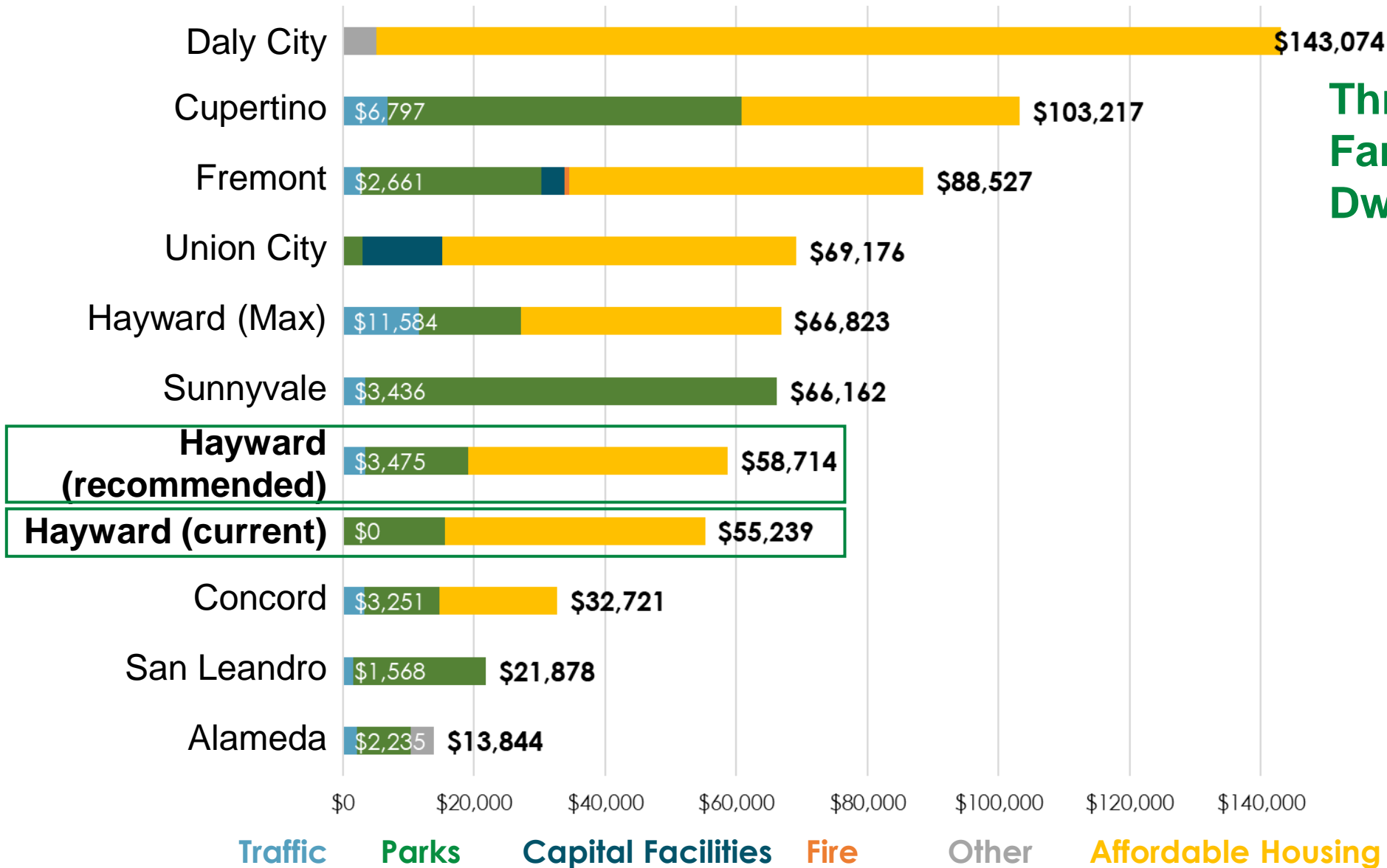
Exemptions

- Affordable Housing consistent with Park In-Lieu Fee
- ADUs

Process

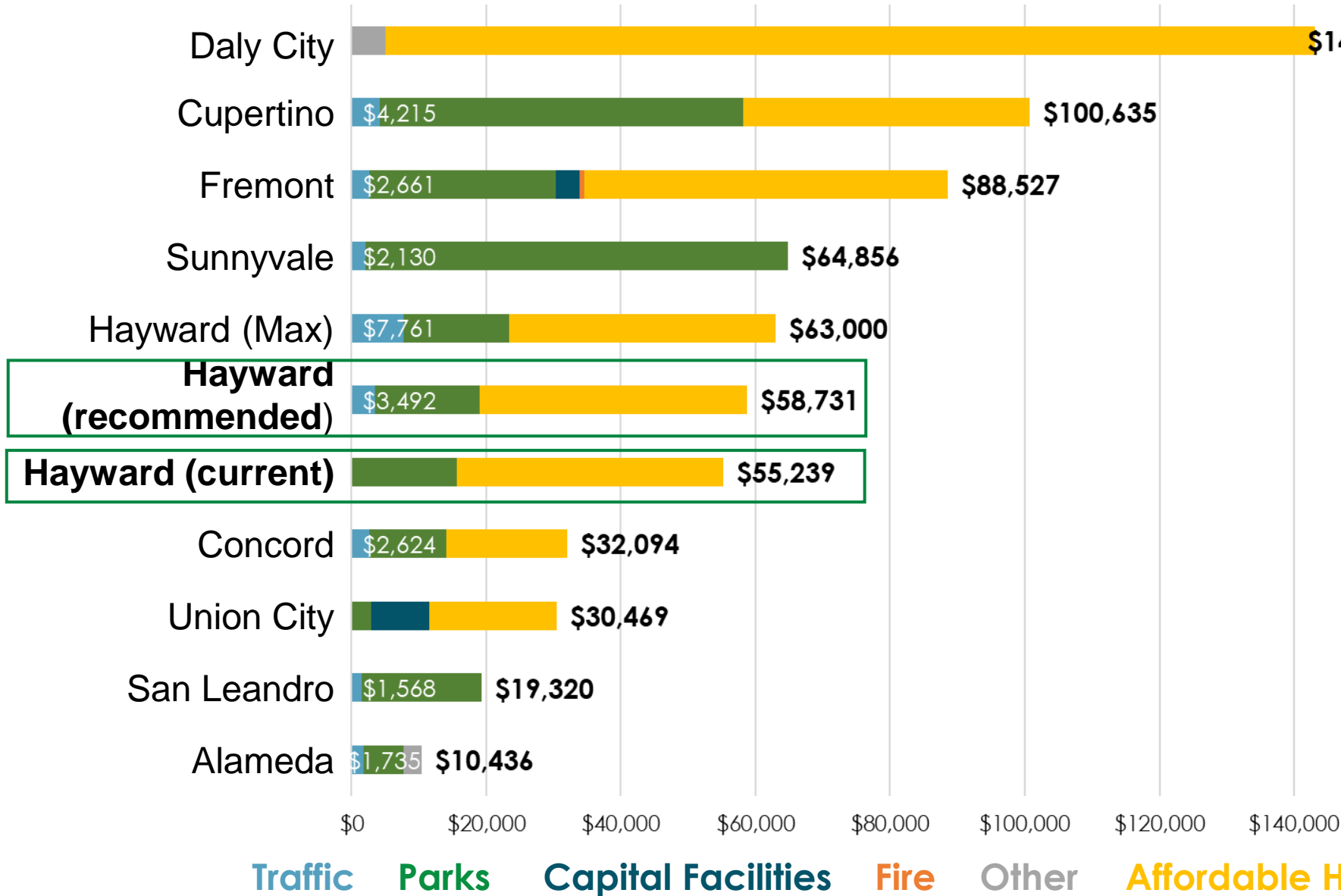
- Effective 60 days after the adoption by City Council
- Entitlement applications submitted before effective date will be grandfathered at current rates
- Include annual automatic construction inflation index
- Review TIF rates and program after three years

Fee Comparison: Single Family Detached



Fee Comparison: Townhome

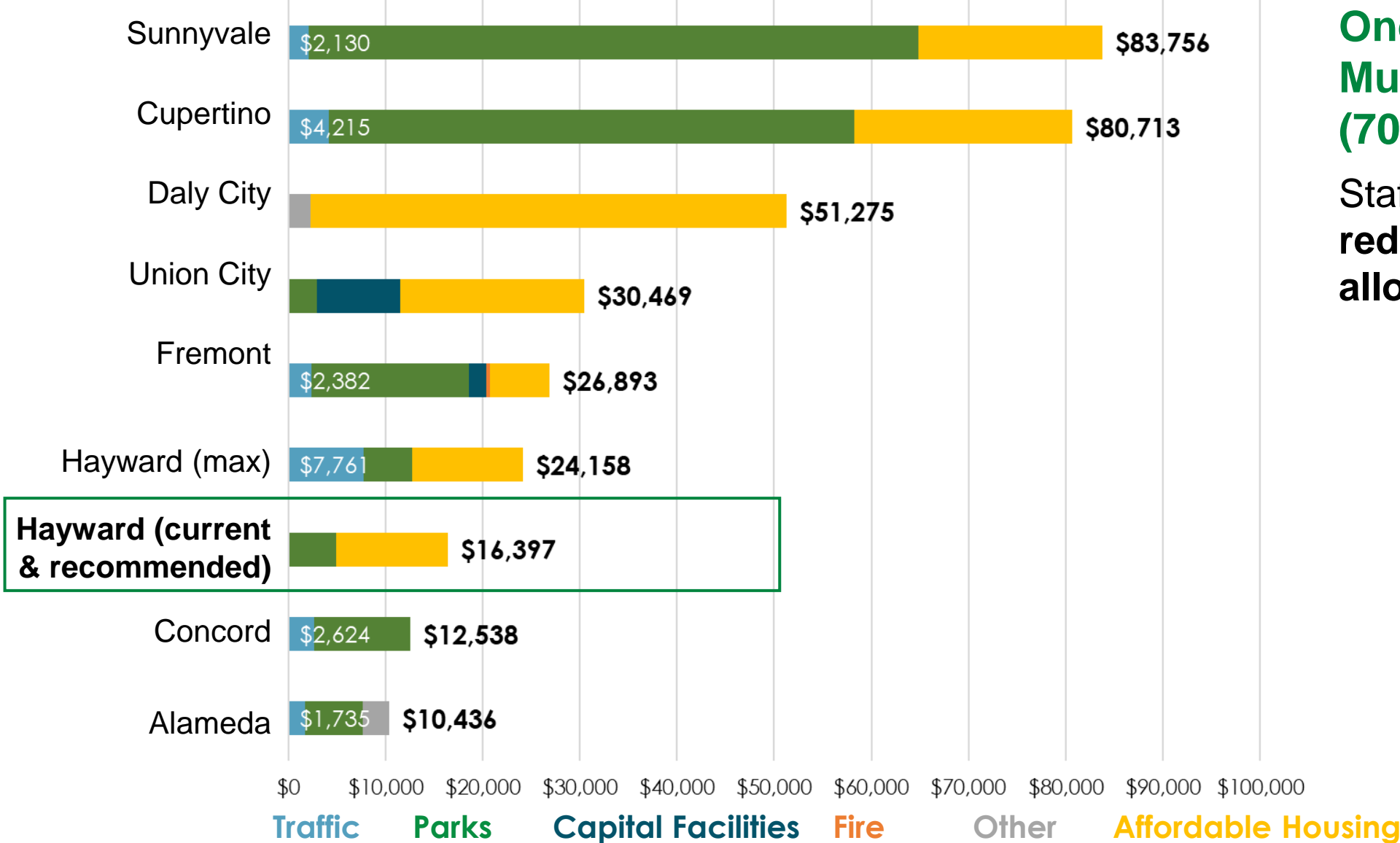
Three Bedroom
Townhome (Single
Family Attached)
Dwelling Unit (2,000 sq ft)



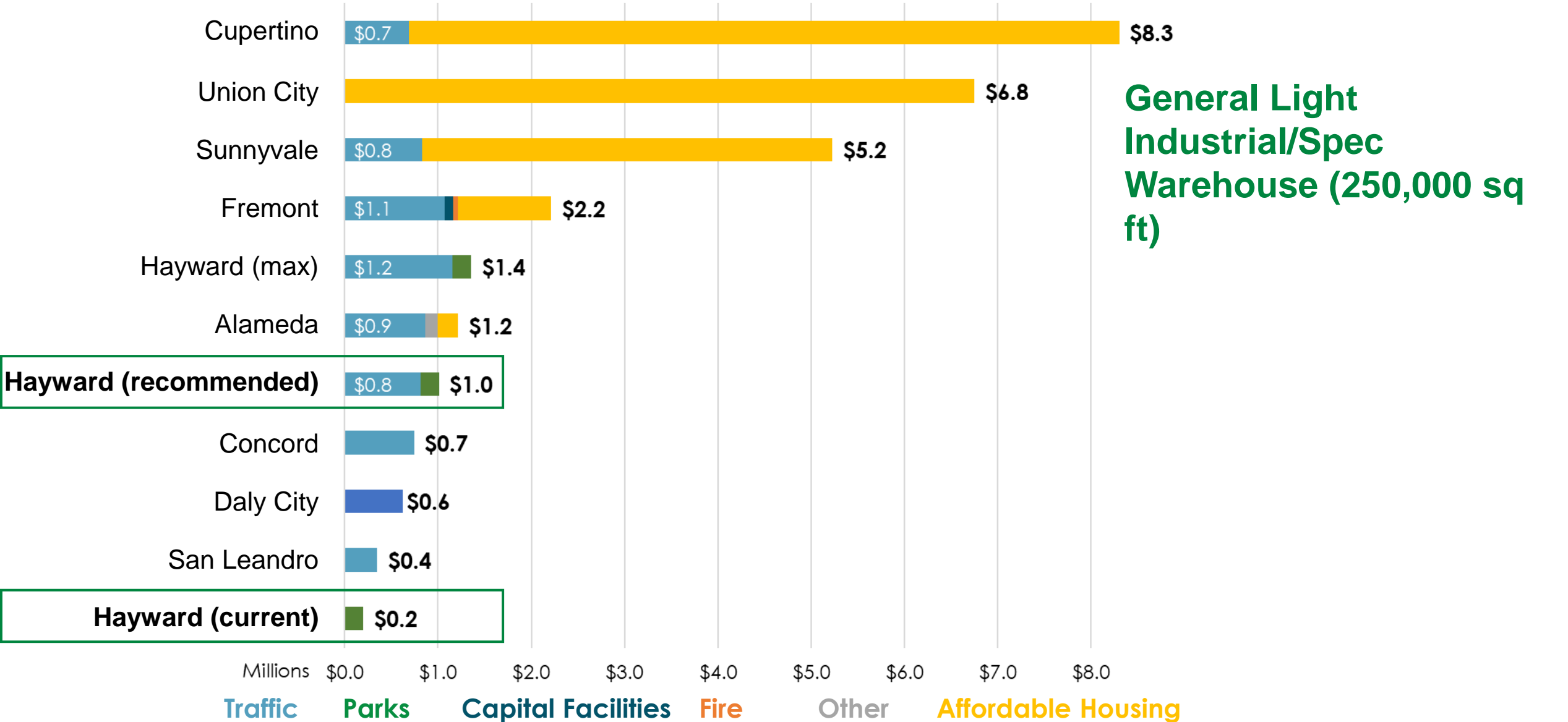
Fee Comparison: Multifamily

One Bedroom
Multifamily Dwelling Unit
(700 sq ft)

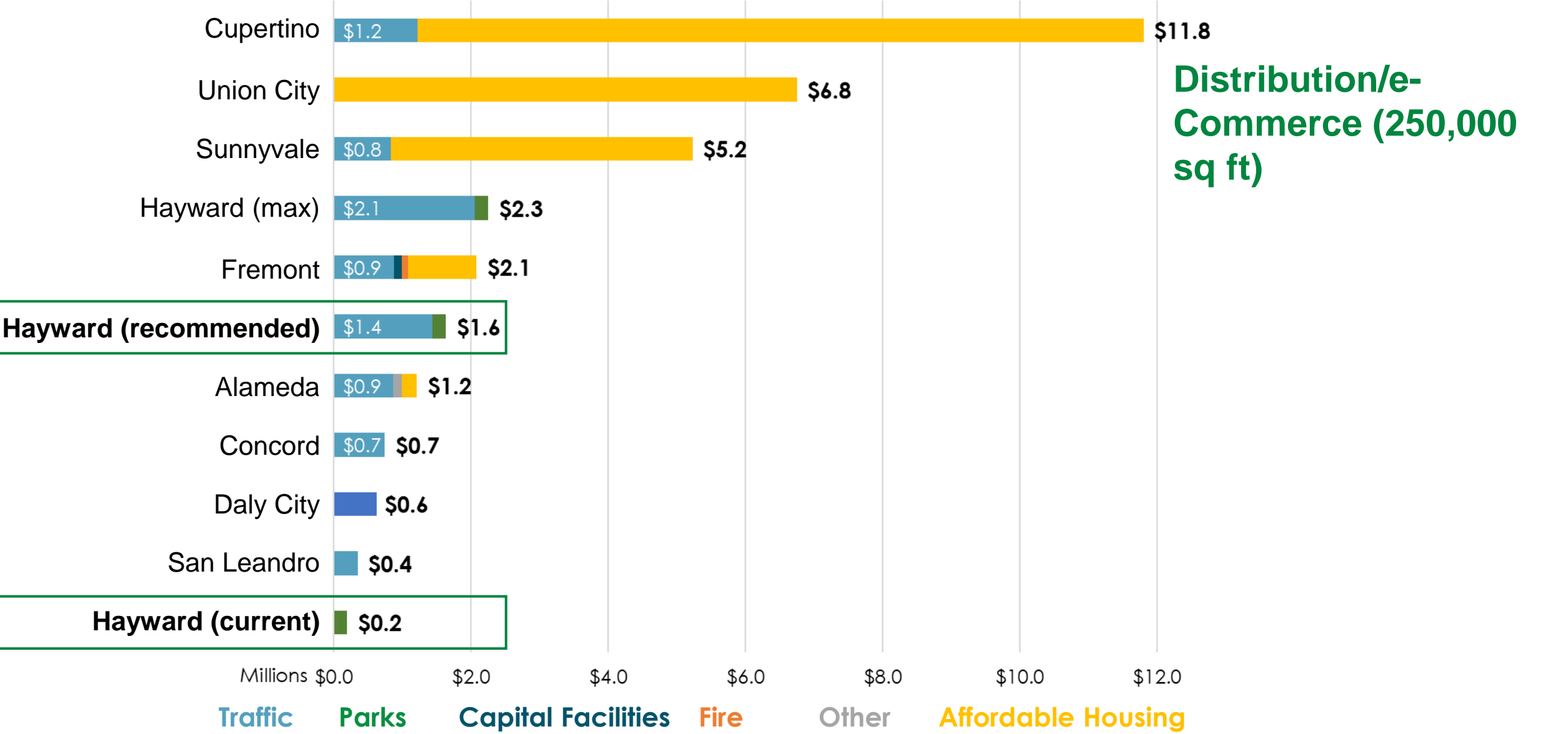
Staff recommend a **100% reduction to the maximum allowable** multifamily fees



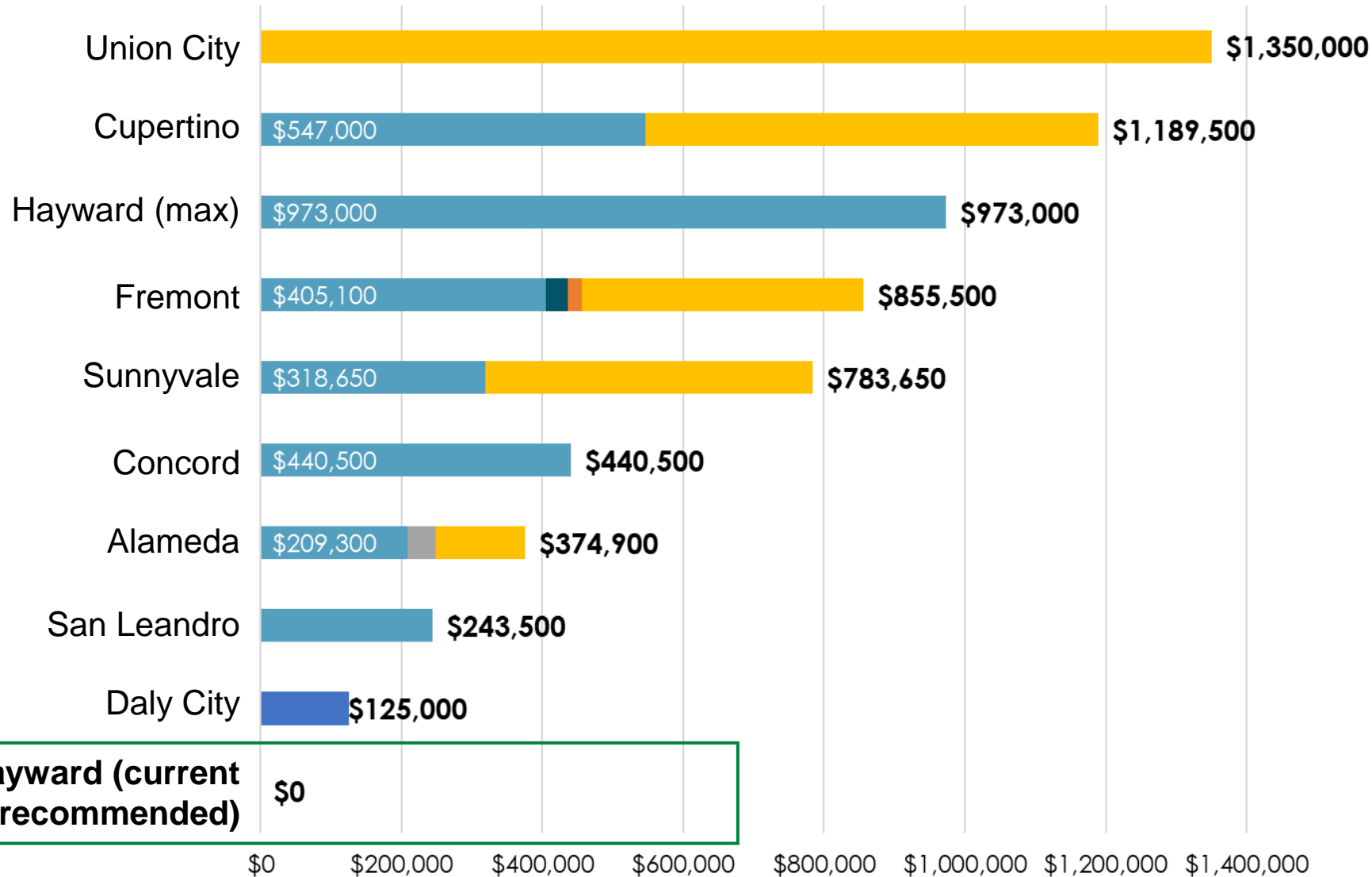
Fee Comparison: General Industrial



Fee Comparison: Distribution/e-Commerce



Fee Comparison: Retail

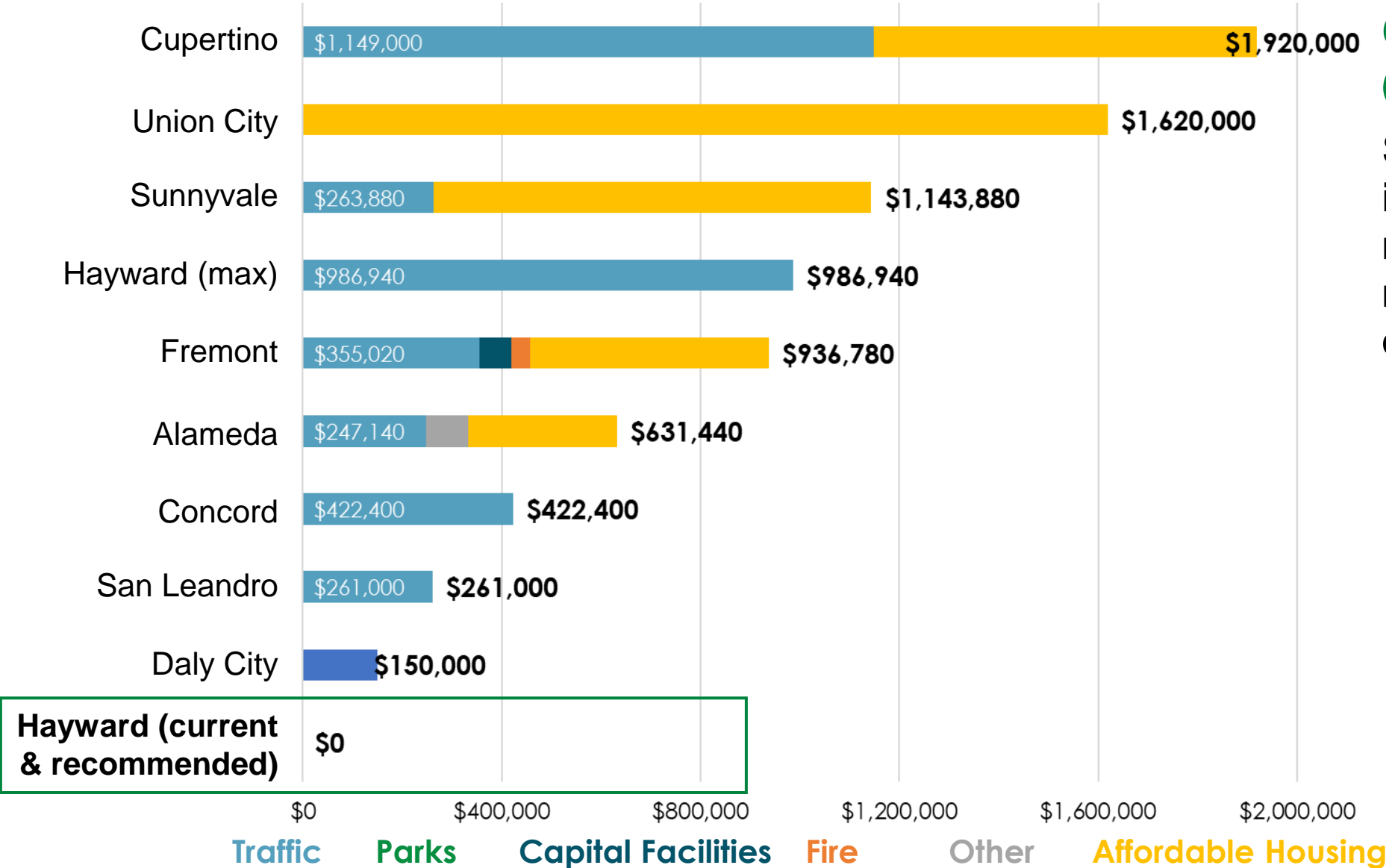


Retail Center (50,000 sq ft)

Staff recommend a **100% reduction to the maximum allowable retail fees**

Traffic Parks Capital Facilities Fire Other Affordable Housing

Fee Comparison: Office



**Commercial Office
(60,000 sq ft)**

Staff recommend
**implementing a 100%
reduction to the
maximum allowable
office fees**

City Council Work Session Comments (5/3)

Points of Discussion

- Greater reduction for the single family residential TIF
- Type of modifications to the TIF possible after the initial three-year review period
- Use of TIF revenues
- Options for charging large retail developments TIF
- Complete responses to Council comments are included in the staff report

Staff Recommendation for Consideration

Staff recommends City Council adopt the Nexus Study by resolution and introduce an ordinance adopting Traffic Impact Fees.

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LTA Process Integration & Coordination

LTA Process Flowchart

- Outlines the process to determine LTA requirements
- Questions to determine thresholds
 - TIF exemption applicability & TIF table
 - VMT map zone color & CEQA/VMT analysis guidelines
 - Trip generation rate & LTA analysis guidelines
 - Component specific memorandum thresholds

Frequently Asked Questions (FAQs) Document

- Answers key questions on the permit application process
- Links to resources

Next Steps

- City Council second reading, adoption of ordinance, and approval of resolution incorporating TIF into Master Fee Schedule – May 24
- If adopted, TIF will go into effect 60 days after final approval (i.e., July 23, 2022)
- Public Hearing Process
 - Council Questions
 - Open Public Hearing
 - Council Comments
 - Council Action

Questions? 