

**CITY COUNCIL MEETING
TUESDAY, OCTOBER 20, 2020**

**DOCUMENTS RECEIVED
AFTER PUBLISHED AGENDA**

AGENDA QUESTIONS & ANSWERS

Items 4 & 5

AGENDA QUESTIONS & ANSWERS**MEETING DATE: October 20, 2020****Item #4: [CONS 20-494](#) Adopt a Resolution Authorizing the City Manager to Enter into an Agreement with CalPERS via the California Employers' Pension Prefunding Trust (CEPPT), a Section 115 Irrevocable Trust, and Delegating Authority to Request Disbursements**

Can the 115 Trust proposed on tonight's agenda be used to pay OPEB as well as pension bills? I'm thinking we have two bills from PERS, but perhaps I'm mistaken?

This trust is specific to the pension costs. The City does have a separate trust fund for OPEB because the OPEB ARC is "voluntary" and not required in the same way that the pension ARC is. The City can choose to fund OPEB at whatever level the budget can bear and the Council directs. We will also be discussing this at tomorrow's Budget and Finance Committee meeting.

Item # 5: [CONS 20-498](#) Adopt a Resolution Authorizing the City Manager to (1) Submit an Application to the California State Department of Housing and Community Development (HCD) for a Maximum Amount of \$5 Million for Mortgage Assistance Funding under the CalHome Program; (2) Enter into and Execute a Standard Agreement and Any Subsequent Amendments, Modifications, or Documents thereto, if Awarded; and (3) Accept and Appropriate Any Awarded Funds in an Amount Not to Exceed \$5 Million

What happened to the funds that were repaid from the former first time homebuyer program?

These loans were funded with former Redevelopment Agency Funds. Revenue from these loans can only be used for administrative costs related to monitoring of redevelopment agency funded projects, and the development of new housing, and homelessness prevention and rapid rehousing per Section 34176.1 of the California Health and Safety Code, and cannot be used to originate new homebuyer loans. The City uses revenue to pay administrative costs for monitoring existing housing units and loans and in 2018 allocated \$4.2 million dollars to the development of affordable housing.

Why is staff recommending that Council use \$5 million in funds from HCD for a first time homebuyer assistance program? This idea has been considered by the Council before and was, as I recall, rejected by a majority of Council as a poor use of housing funds. Given that the grant allows for several other uses of these funds, why didn't staff recommend using the funds for one of the other eligible purposes?

Staff is recommending to apply for CALHOME funds under the Mortgage Assistance Program both because affordable homeownership has been expressed as a priority by the Homeless and Housing Task Force (HHTF) and because the other program options are not viable options at this time. Below is a brief description of staff's recommended use of the CALHOME funds and of the other potential uses of the CALHOME funds that staff do not think are viable at this time:

1. Staff Recommendation: First-time Homebuyer Mortgage Assistance

The HHTF requested a report exploring various affordable homeownership options as a way to stabilized housing stability, which was presented at the June 4, 2020 HHTF meeting. The HHTF expressed strong support for these programs, if funds could be identified. This State program provides the opportunity to fund such a program without using City funds. In the June 4th HHTF report, staff determined that while homeownership will provide greater housing stability, there were no City resources available to funds such programs. The application to the CALHOME program will provide funds for loans, as well as the cost of administering the program. The loan fund could assist first-time homebuyers purchase market rate properties or provide deeper affordability to help low-income first-time homebuyer purchase an inclusionary housing unit

targeted to households earning 120% Area Median Income. By not associating the funds with a specific project, buyers can choose the ownership type that is right for them (equity building market rate housing or stability providing, limited equity inclusionary housing). This option gives the City more flexibility and greater property inventory to meet the needs of a broader group of residents and to expend the funds within the timelines. Lastly, the Housing Manager has 13 years of experience managing a mortgage assistance program during a sellers' markets and the Great Recession. If funded, staff has the capacity and experience to make the program work.

2. Owner-Occupied Rehabilitation Assistance

The City allocates \$150,000 of CDBG funds to a Residential Rehabilitation Program. The program is staff intensive and it is not recommended for scaling up at this time.

3. Technical Assistance for Self-Help Housing Projects

The City has no experience nor works with an experienced partner on a self-help housing program and could not develop a new program within the time constraints of the application process.

4. Technical Assistance for Shared Housing Programs

The City has no experience nor works with an experienced partner on a shared housing program and could not develop a new program within the time constraints of the application process.

5. Accessory Dwelling Units (ADUs)/Junior ADU Programs

The development of a program targeted at funding ADUs and JADUs is not recommended because there is concern that there would be little interest in this program from low-income homeowners. The City did a lean innovation accelerator exercise for 10-weeks in 2017 and explored the possibility of using CDBG funds to subsidize the costs of developing ADUs on single-family properties. They focused on homeowners that had code enforcement action (specifically unpermitted garage conversions) to assist them with the legalization process, people who would be interested in building an ADU and leasing it to a low-income household, and anyone with enough capital to build their own ADU on their property. The City released a survey, talked to people door-to-door specifically in neighborhoods with high rates of garage conversions, and left door hangers seeking any interest in a potential pilot program to do this. Ultimately, the City did not get a lot of interest from people to participate in this hypothetical program, and, as a result, did not recommend moving forward with it. It was concluded that using the \$400,000 CDBG funds for ADUs was not the best use of money because of lack of interest from the community.

6. Homeownership Development Project Loans

There is only one homeownership project in the City's development portfolio that would be eligible to apply. The Habitat for Humanity (Habitat) project previously applied for and was

	<p>awarded CALHOME and BEGIN funds from the State. While Habitat has been diligent in pursuing the development of this critically needed project, the dissolution of the Redevelopment Agency and identification of contaminants on the property delayed development of the project, which caused the project to lose both CALHOME and BEGIN funding. As a result, the project is unlikely to receive CALHOME funds again. However, if the City is awarded funds under the mortgage assistance program, there is nothing that would preclude the use of these funds to assist a low or possibly very low-income purchaser acquire one of these units. Applying for the funds for mortgage assistance versus a homeownership development project gives the City greater flexibility to expend the funds more expeditiously and to assist a broader population of potential purchasers to acquire homes in a variety of new developments, including inclusionary units.</p>
--	---

eCOMMENTS RECEIVED

Public Comment & Item 10

eComments received for October 20, 2020 Hayward City Council Meeting:

Item	Name	Comment	Position
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.	HAYWARD CONCERNED CITIZENS HCC	WE OPPOSE the “7 demands” police defund narrative promoted by Hayward Collective, Community Coalition & various council candidates. We denounce any biased, disrespectful, threatening efforts that push this agenda. Our petition (http://chnng.it/LkQYZh2Kk9) totals 738 signatures in 7 weeks, affirming that HayCoCoa’s opposing petition does NOT represent the majority. Our Council is responsible to uphold appropriate use of our voter-approved measure A, C, D & T funds toward public safety needs.	Oppose
Item: 10. LB 20-052 Adopt a Resolution of Intention to Establish the Old Highlands Benefit Assessment District to Levy and Collect Assessments for Street Improvements; Ordering the Preparation of an Engineer's Report; and Setting a Time and Place for Prop. 218 Hearing (Report from Public Works Director Ameri)	Margaret Warhurst	Since moving to the Old Highlands area in 1989, I have seen our streets break down to the point where I envision they will return to the dirt roads they originally were. With great frustration, I view so many other street projects improving other Hayward areas. I know that OHHA board members have worked with the city of Hayward to create a realistic solution to this problem. Please take this first step. I thank you, my car's alignment thanks you, and all OHHA residents will thank you.	

ITEM #2 MIN 20-109

**Approve City Council Minutes of the Special
City Council Meeting on September 29, 2020**

STAFF MEMO



DATE: October 20, 2020

TO: Mayor and City Council

FROM: City Clerk

SUBJECT September 29, 2020 Council Meeting Minutes Amendment

This serves to amend the September 29, 2020 City Council meeting minutes.

Page seven, fourth paragraph, currently reads:

“Council Member Mendall encouraged staff to pay attention to bicycle and pedestrian issues.”

Proposed to read:

“Council Member Mendall spoke against hiring a dedicated staff member focused on Bicycle and Pedestrian Master Plan implementation and instead encouraged all transportation department staff to pay attention to bicycle and pedestrian issues.”

With the change noted above, I respectfully request approval of the amended minutes.

ITEM #10 LB 20-052

**Adopt a Resolution of Intention to Establish
the Old Highlands Benefit Assessment District
to Levy and Collect Assessments for Street
Improvements; Ordering the Preparation of an
Engineer's Report; and Setting a Time and
Place for Prop. 218 Hearing**

(Report from Public Works Director Ameri)

STAFF MEMO & REVISED RESOLUTION



DATE: October 20, 2020

TO: Mayor and City Council

FROM: City Manager

THROUGH: Director of Public Works

SUBJECT: **October 20,2020 Agenda Item #10:** Resolution of Intention to Establish the Old Highlands Benefit Assessment District

The purpose of this memorandum is to inform the Mayor and City Council regarding an error related to the above referenced agenda item. The staff report and resolution reference setting the date for the City Council to conduct a public hearing on the establishment of the District and the levy and collection of assessments for fiscal year 2022 on December 1, 2020 at 7:00. Staff request that the date be revised to January 26, 2021 to allow time pursuant to Prop. 218 stating the public hearing must be at least 45 days after notice and ballots to the property owners are mailed. Additionally, this will allow sufficient time to prepare and finalize the Engineer's Report. The new date is reflected in the attached revised resolution.

Also, staff would like to clarify two points of the arrangement developed between the OHHA Board and the City. The Staff Report states: "The roadway improvements are intended to include pavement reconstruction only. Very minor improvements to eliminate roadway water ponding may also be included." When preparing the Engineer's Report, when possible, the City will not disturb existing water control features along the OHHA roadways installed by property owners to divert stormwater away from their properties. If the City cannot preserve some features, then the existing features, which currently provide limited stormwater protection, will be replaced with comparable features to provide stormwater diversion similar to that provided by the original features.

The second clarification is in the point of the arrangement development between the OHHA Board and the City regarding "property owners will cause these roadway segments to be dedicated to the City as public right-of-way." The City will prepare all documents and fillings necessary to achieve these property dedications.

Staff will take appropriate steps to provide notice to residents in the district of the changes mentioned.

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

Attachment I: Revised Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 20-

Introduced by Council Member _____

RESOLUTION OF INTENTION TO ESTABLISH THE OLD HIGHLANDS BENEFIT ASSESSMENT DISTRICT, TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54703, ET SEQ., ORDERING PREPARATION OF AN ENGINEER'S REPORT, AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

WHEREAS, the area known as Old Highlands was created by a subdivision map approved by the County of Alameda and recorded in 1914; and

WHEREAS, the Old Highlands area was annexed to the City of Hayward on or about December 3, 1963; and

WHEREAS, the 6.12 miles of streets in the Old Highlands area were not brought up to City standards upon annexation and have not been maintained, with the exception of emergency repairs; and

WHEREAS, the Old Highlands Homeowners Association (OHHA) Board and property owners have agreed to the creation of an assessment district and imposition of special assessments against the properties in the Old Highlands area to fund a pavement rehabilitation project in the area, an area map of which is attached to the staff report for this item and incorporated herein as; and

WHEREAS, Government Code section 54703 et seq., known as the Benefit Assessment Act of 1982, authorizes assessments to finance maintenance of streets, roads or highways; and

WHEREAS, the Benefit Assessment Act, Article XIID of the California Constitution and Section 53753 of the California Government Code (the Prop. 218 Omnibus Implementation Act) impose certain procedural and substantive requirements relating to the levy of new or increased assessments, including preparation of a report describing the basis and amount of the proposed assessment and services or improvements to be financed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. The City Council declares its intention to establish the Old Highlands Benefit Assessment District pursuant to the Benefit Assessment Act, Government Code section 54703 et seq., commencing with fiscal year 2022.

2. The City Council hereby orders preparation of an Engineer's Report pursuant to the Benefit Assessment Act, Article XIID of the California Constitution and Section 53753 of the California Government Code (the Prop. 218 Omnibus Implementation Act).

3. The City Clerk shall make the Engineer's Report and other documents related to the District available to the public for review during normal business hours.

4. NOTICE IS HEREBY GIVEN that the City Council shall conduct a public hearing on the establishment of the District and the levy and collection of assessments for fiscal year 2022, on January 26, 2021 ~~December 1, 2020~~ at 7:00 p.m. or as soon thereafter as the matter may be heard, during the meeting. At the public hearing, the City Council will consider all objections or protests, if any, to the proposed establishment of the District and the proposed assessment. Any interested person may present written or oral testimony at the public hearing. At the conclusion of the public testimony portion of the public hearing, the City Clerk shall open and tabulate all ballots received and not withdrawn at that time. Results of the ballot procedure will be announced and, provided a weighted majority in opposition to the District establishment does not occur, the City Council may then establish the District by adopting a resolution to that effect.

5. The City Clerk is hereby authorized and directed to give notice of the public hearing described above as provided in Section 53753 and 54716(b) of the Government Code and Article XIID, Section 4 of the California Constitution.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2020

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTACHMENT II

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward