



**MINUTES OF THE SPECIAL JOINT CITY COUNCIL/HAYWARD
REDEVELOPMENT SUCCESSOR AGENCY/HAYWARD HOUSING AUTHORITY
MEETING OF THE CITY OF HAYWARD
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 9, 2017, 7:00 p.m.**

The Special Joint City Council/Hayward Redevelopment Successor Agency/Hayward Housing Authority meeting was called to order by Mayor/Chair Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council/HRSA/HHA Member Lamnin.

ROLL CALL

Present: Council/HRSA/HHA MEMBERS Zermeño, Márquez, Mendall, Peixoto,
Lamnin, Salinas
MAYOR/CHAIR Halliday
Absent: None

PRESENTATIONS

Mayor Halliday read a proclamation declaring May 2017 as Lupus Awareness Month. Ms. Jane Tiphayachan, Hayward resident, and Ms. Erin Badillo, Executive Director of Lupus Foundation of Northern California, accepted the proclamation.

Mayor Halliday announced the presentation regarding the California Association for Local Economic Development; Award of Excellence to the City's Passport to Downtown Program and Awards of Merit for Connecting the Dots and Business Concierge Program.

Mayor Halliday presented the Hayward Business Innovation Awards to: Mr. Ameen Razavi, Director of Innovation Research for Microvi Biotechnologies; Mr. Roger Cockroft, CEO for MDC Vacuum Products; Mr. Pat O'Reilly, Vice President of Operations for Alphabet Energy; and Elijah Post with Type A Machines.

PUBLIC COMMENTS

Mr. Sonny Alvarado, Hayward resident, spoke about unlawful evictions displacing Hayward residents.

Mr. Javier Delgadillo, Hayward resident, spoke about the fire in his apartment complex that displaced the tenants and forced them into the streets; the three-day notice for tenants to vacate units due to substantial damage; the notice of rent increase; and the threat of eviction by their landlord.

The following speakers spoke against the proposed rent increase on the Hayward Airport hangars and urged Council to postpone its implementation.

Ms. Kate Turney, Hayward Airport tenant

Mr. Jerry Turney, Hayward Airport tenant
Mr. Lloyd Emberland, Hayward resident
Mr. Ross Bausone, Hayward Airport tenant

Mr. C.J. Samiul aka Citizen Sam, Hayward resident, requested his car be washed due to dust from a construction in the City; he congratulated City staff for doing a good job.

CONSENT

1. Minutes of the City Council Meeting on April 25, 2017 **MIN 17-070**

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously, to approve the minutes of the City Council meeting on April 25, 2017.

2. Adopt Two Resolutions: 1) Amending the Fiscal Year 2017 Budget By Increasing the Revenue and Corresponding Expenditure Appropriation for Consultant Services in the Building Division by an Additional \$200,000; and 2) Authorizing the City Manager to Negotiate and Execute Amendments to the Agreements with Six Consulting Firms for Building-Related Services by Eliminating the Maximum Limit of \$340,000 Per Firm **CONS 17-252**

Staff report submitted by Development Services Director Rizk, dated May 9, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously, to adopt the following:

Resolution 17-054, "Resolution Authorizing the City Manager to Negotiate and Execute Amendments to the Agreements with West Coast Consultants (WC3); Kutzmann & Associates, Inc.; 4 Leaf Inc., Shums Coda & Associates, TRB Associates, and CSG, Consultants by Eliminating the \$340,000 Per Vendor Limit"

Resolution 17-055, "Resolution Amending the Fiscal Year 2017 Budget by Increasing the Revenue and Corresponding Expenditure Appropriation for Consultant Services by an Additional \$200,000"

3. Resignation of Ms. Anjani Varma from the Keep Hayward Clean and Green Task Force **CONS 17-255**

Staff report submitted by City Clerk Lens, dated May 9, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously, to adopt the following:



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Resolution 17-056, "Resolution Accepting the Resignation of Anjani Varma from the Keep Hayward Clean and Green Task Force"

PUBLIC HEARING

4. Proposed subdivision and construction of 140 three-story condominiums of a townhome design, a 93-room hotel, and 7,225 square feet of community-serving retail use on a 9.72-acre site located at 25501 & 25551 Mission Boulevard and 671 Berry Avenue; requiring: 1) a Zone Change on a 1.9-acre portion of the project site from T4-2 Urban General Zone with a Commercial Overlay Zone 1 to T4-2 with a Commercial Overlay Zone 2; 2) Site Plan Review; 3) Conditional Use Permit to Allow Ground-Floor Residential Units; 4) Administrative Use Permit to Allow a Hotel; 5) Warrant to Allow Number of Parking Spaces to Exceed Standards; 6) Vesting Tentative Tract Map 8345 Associated with the Subdivision; and 7) an Addendum to the Mission Boulevard Corridor Specific Plan Area Environmental Impact Report (EIR). MLC Holdings, Inc. (Applicant) Auto Mission, Ltd. and Charles L. Pifer (Property Owners) (Report from Development Services Director Rizk) **PH 17-045**

Staff report submitted by Development Services Director Rizk, dated May 9, 2017, was filed.

Development Services Director Rizk announced the report and introduced Consulting Planner Porto who provided a synopsis of the report. Economic Development Manager Hinkle reported on the fiscal impact, economic benefits and community benefits of the project. Transportation Manager Kelley presented the transportation and traffic analysis and their impacts on the project.

Council Members Márquez, Mendall, Zermeño, Lamnin and Mayor Halliday disclosed having met individually with the applicant and some of the people who have raised concerns with the project prior to the public hearing.

Discussion ensued amount Council Members and City staff, regarding: the six-foot wall that separates the hotel site from the existing commercial property; the six-foot steel fence that separates the hotel site from the residential community; traffic and overflow parking impacts; hotel, residential and guest parking spaces; slip lanes; transient occupancy tax as a source of revenue; car share program; the agricultural component of the project; the timing of construction for the hotel to be built first before housing or same time as housing; mitigations regarding air quality on the project; and the open space calculations.

Ms. Rima Ghannam, with Impact Sciences and CEQA consultant for the City, reported that the applicant included ventilation system to the units to reduce pollution or dust emission as part of the proposed project.

Mr. Chris Zaballos with MLC Holdings, Inc., provided a PowerPoint presentation and a video on the Mission Crossings project.

Mayor Halliday opened the public hearing at 9:06 p.m.

The following speakers spoke in favor of the proposed Mission Crossings project for the following reasons: it would revitalize the whole Mission Boulevard corridor between Orchard Avenue and Harder Road; it is a project that the community can take pride in; the establishment of the hotel near the California State University, East Bay campus can be utilized by faculty and staff, prospective students and their families as well as the numerous sports teams who travel to the campus throughout the year; the hotel would provide opportunities for hospitality training for University students; it opens opportunity for students to do internships at the hotel and work with developers and with management of the organization; and this is a solution to the housing affordability crisis.

Mr. Bill Espinola, Hayward resident

Mr. Satinjer Malhi, with the Office of President of California State University, East Bay

Mr. Gary Freund, Chair, Advisory Board of the Department of Hospitality, Recreation and Tourism, California State University, East Bay

Mr. David Stark, Public Affairs Director for the Bay East Association of Realtors

Mr. John Moutsamos submitted a card but did not speak.

The following speakers spoke against the proposed Mission Crossings project for the following reasons: would like to see auto row remain; traffic flow in the area will be more impacted due to the addition of 140 homes and 93-room hotel; more traffic issues for residents; the project will be better situated in another area in the city; city needs development that will enhance auto row and enhance the community; we should concentrate on auto businesses that will be an asset to the community; and the property is too valuable to build a hotel on it, bring a facility like this to downtown.

Ms. Cindy Ogle, owner of Hayward Body Shop at 25087 Mission Boulevard

Ms. Dianna Briones with business address at 25571 Dollar Street

Ms. Robin Wilma, owner of Wilma's Collission Repair at 25571 Dollar Street

Mr. Anthony Varni, with business address at 650 A Street

Mr. Michael Mahoney, Hayward resident

Ms. Jamie Haynes submitted a card but did not speak

Ms. Serena K. Nelson was concerned about the high cost of the units. The two-bedroom unit costs approximately \$643,000.



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Mayor Halliday closed the public hearing at 9:42.

Discussion ensued among Council Members, City staff and Mr. Charles McKeag, President of MLC Holdings, Inc., regarding the inclusion of smaller units given the proximity of the development to the university; housing affordability; provisions made by hotel owners when parking exceeds allocated spaces during events; management of the urban farm after the first year; and viability of the hotel site.

Council Member Mendall stated he would like to include a requirement that the hotel and retail be built before all of the occupancy permits for all the homes can be issued.

Mr. McKeag was amenable to building the commercial and residential components simultaneously and was committed to work with staff.

Council Member Zermeño offered a motion per staff recommendation with an addition to Conditions of Approval that will guarantee building the commercial and residential components simultaneously.

Council Member Salinas seconded the motion.

Council Member Lamnin offered an addition to the motion to include language in the Conditions of Approval related to car share, bicycle share, shuttle service, and transportation and parking management programs.

Council Member Zermeño accepted the addition to the motion.

Council Member Salinas did not approve the additional offer to the motion as he is confident that staff will include the issues raised in their conversation with the developer.

The additional offer to the motion died for lack of support.

Council Members Zermeño and Salinas were amenable to amend Conditions of Approval No. 117 to require solar photovoltaic systems on the hotel and residential buildings.

Council Members expressed support for the project because: it is a complete community with jobs, shopping, housing and recreation; it incorporates green building features and provides large open space that incorporates an urban farm; the hotel will improve the City's chance of getting a downtown upscale hotel and conference center; it diversifies Mission Boulevard; it creates jobs; it provides housing and create home ownership for people in the community; the hotel's partnership with California State University, East Bay provides training opportunities for students.

Council Member Peixoto expressed concerns about traffic management and parking issues and did not support the project. He stated that there are only 25 guest parking spaces for the 140 residential units. He was also concerned about the conference capability of the hotel. He agreed that it is a good project, but in the wrong location.

Mayor Halliday and Council Members thanked the applicant for listening to all the Council and staff concerns and for working with the staff.

It was moved by Council Member Zermeño, seconded by Council Member Salinas, and carried with the following vote, to adopt the following with amendments to the Conditions of Approval No. 117 to require solar photovoltaic systems on the hotel and residential buildings; and to include a new condition requiring the hotel/retail buildings to be built before all of the certificates of occupancy are issued for the residential units with specific language to be developed by staff:

AYES: Council Members Zermeño, Márquez, Mendall,
Lamnin, Salinas
MAYOR Halliday
NOES: Council Member Peixoto
ABSENT: None
ABSTAINED: None

Resolution 17-057, "Resolution Adopting an EIR Addendum, and Approving a Conditional Use Permit, Administrative Use Permit, Warrant, Vesting Tentative Tract Map 8345 and Zone Change (Application No. 2016-02751) Pertaining to the Subdivision and Construction of a 93-Room, Four Story Hotel, 7,225 Square Feet of Community-Serving Retail Space, and 140 Townhome Condominium Units at 25501 and 25551 Mission Boulevard and 671 Berry Avenue"

Intro Ordinance 17-__ "An Ordinance Amending Chapter 10, Article 25 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. 2016-02751 Relating to the Construction of a 93-Room, Four Story Hotel, 7,225 Square Feet of Community-Serving Retail Use, and 140 Townhome Condominium Units Homes at 25501 and 25551 Mission Boulevard"

Council took a recess at 10:48 p.m., and reconvened the meeting at 10:50 p.m.

LEGISLATIVE BUSINESS

5. Presentation of Proposed FY 2018 Operating Budget (Report from City Manager McAdoo) **LB 17-019**



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Staff report submitted by Finance Director Claussen, dated May 9, 2017, was filed.

City Manager McAdoo provided a synopsis of the report and introduced Finance Director Claussen who provided an overview of the FY 2018 Proposed Operating Budget.

There being no public comments, Mayor/Chair Halliday opened and closed the public hearing at 11:06

Discussion ensued among Council/HRSA/HHA Members regarding: the Other Post-Employment Benefits (OPEB); the goal to adopt a balanced budget in June with the use of some one-time money and come back at mid-year or even earlier and have Council adopt revisions to the budget; and the possibility of raising the Transient Occupancy Tax to expand revenue.

Council/HRSA/HHA Members made requests for the May 20, 2017 Work Session for staff to: present information on the Other Post-Employment Benefits (OPEB), the Unfunded Actuarial Liability (UAL), the Actuarially Required Contribution (ARC) and the Proposed Pay-go Amount in graphics and slides and have a robust discussion about OPEB; provide additional information regarding the City's reserve balance and visual aids that can be reviewed prior to May 20, 2017; provide information on how the City went from an OPEB ARC of 5.5 million to 10.3 million, in two or three years; and provide information on what specific steps will be taken to close the budget deficit.

City Manager McAdoo encouraged Council Members to submit questions ahead of time to help directors prepare for their presentations more effectively.

Mayor/Chair Halliday thanked Council/HRSA/HHA Members Lamnin and Salinas for their service on the Council Budget & Finance Committee and announced the all-day Budget Work Session on Saturday, May 20, 2017.

CITY MANAGER'S COMMENTS

City Manager McAdoo commented on two items: 1) the Bike to Work Day on Thursday, May 11, 2017; and 2) the Annual Citywide Clean-up Day and Community Engagement Fair on Saturday, May 13, 2017, at Weekes Park.

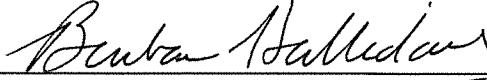
COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Márquez acknowledged staff for the launching of the City's monthly electronic newsletter, "The Stack."

ADJOURNMENT

Mayor/Chair Halliday adjourned the meeting at 11:28 p.m.

APPROVED:



Barbara Halliday
Mayor, City of Hayward
Chair, Hayward Redevelopment Successor Agency
Chair, Hayward Housing Authority

ATTEST:



Yolanda Cruz
Deputy City Clerk, City of Hayward
Assistant Secretary, Hayward Redevelopment Successor Agency
Assistant Secretary, Hayward Housing Authority