



DATE: May 10, 2018

TO: Planning Commission

FROM: Planning Manager

SUBJECT: Recommended FY 2019 – FY 2028 Capital Improvement Program

RECOMMENDATION

That the Planning Commission finds that the Recommended FY 2019–FY 2028 Capital Improvement Program is consistent with the *Hayward 2040 General Plan*.

SUMMARY

The City of Hayward’s Capital Improvement Program (CIP) is a planning document for the upcoming ten-year period. It supports the City Council’s priorities of Safe, Clean, Green, and Thrive, and the three Strategic Initiatives – Complete Communities, Complete Streets, and the Tennyson Corridor. This planning document includes budget recommendations that contain revenue and expenditure estimates for capital projects. A new fund was added for FY 2019, Fund 401- Strategic Initiative Projects.

The proposed CIP budget includes approximately \$152 million in FY 2019 and an estimated \$503 million in the next ten years. Given that Hayward is a full-service city, the CIP covers a wide range of projects, including an Airport, Roadways and Streets, Transportation, Buildings, Water System, Groundwater, and a Wastewater System with a Water Pollution Control Facility, Recycled Water, and Renewable Energy. The CIP likewise includes projects and purchases for Facilities, Information Technology, and Fleet vehicles. As in past years, the document also includes Identified and Unfunded Capital Needs, which currently total over \$400 million.

BACKGROUND

State law requires the Planning Commission review the City’s currently Recommended FY 2019–FY 2028 CIP - to ensure conformance with the City’s General Plan. The City Council Infrastructure Committee reviewed the CIP on April 25, 2018, and the full City Council reviewed it at a work session on May 1, 2018. The Recommended FY 2019–FY 2028 CIP is available for review [at this link](#).

DISCUSSION

The CIP includes an emphasis on updating and improving the City's infrastructure, which is aligned with various Public Facilities and Services Element goals and policies, including General Plan Policy PFS-1.2, which states, "The City shall give high priority in capital improvement programming to funding rehabilitation or replacement of critical infrastructure that has reached the end of its useful life or has capacity constraints."

Key CIP projects include the continued construction of the 21st Century Library and Community Learning Center and Heritage Plaza Arboretum. This project is aligned with many General Plan and Life-Long Learning Elements and policies to expand and enhance Hayward's library facilities to meet the life-long learning needs of the community.

A second set of key projects includes the building of the new Fire Station No. 6 and Training Center by the Hayward Airport, which align with Community Safety Element goals and policies related to Fire Protection and Emergency Medical Services, including:

Goal 4:

Provide coordinated fire protection and emergency medical services to promote a safe and healthy community.

Policy CS-4.4 – Timing of Services:

The City shall ensure that growth and development does not outpace the expansion of Hayward Fire Department staffing and the development of strategically located and fully equipped fire stations.

Policy CS-4.5 – Station Call Volumes and the Reallocation of Resources:

The City shall monitor call volumes at individual fire stations to determine if certain areas of the City are in high demand of fire and emergency medical services. The City shall consider reallocating resources (fire units and/or equipment) or building new fire stations to serve high demand areas.

Paving and transportation projects, including the FY 2019 Pavement Maintenance and Pavement Rehabilitation Project and the Main Street Complete Street Project, align with Mobility Elements goals and policies, including:

Goal M-3:

Provide complete streets that balance the diverse needs of users of the public right-of-way.

Policy M-3.1:

The City shall provide safe, comfortable, and convenient travel along and across streets to serve all users, including pedestrians, the disabled, bicyclists, motorists, movers of commercial goods, and users and operators of public transportation.

Renewable energy projects, including the Solar Power Design and Construction – Phase II aligns with

Goal NR-4.1: Reduce energy consumption through increased production and use of renewable energy, sustainable energy purchasing, and improved energy efficiency.

Policy NR-4.10: The City shall ensure that all new City-owned facilities are built with renewable energy, as appropriate to their functions, and shall install renewable energy systems at existing City facilities, where feasible.

The CIP also focuses on beautification and improvement of landscaping along key thoroughfares, including mural painting and Bay Friendly landscaping, which align with many General Plan Land Use Element goals and policies, including:

Goal LU-4:

Create attractive commercial and mixed-use corridors that serve people traveling through the City, while creating more pedestrian-oriented developments that foster commercial and social activity for nearby residents and businesses.

Policy LU-4.9 – Existing Sound Walls and Fences:

The City shall encourage landscaping improvements along sound walls and fences to discourage graffiti and to enhance the visual character of corridors. Where landscaping is not feasible, the City shall encourage the painting of murals on sound walls.

Policy LU-4.11 – Streetscape Enhancements:

The City shall strive to improve the visual character of corridors by improving streetscapes with landscaped medians, and widened sidewalks that are improved with street trees, pedestrian-scaled lighting, underground utilities, landscaping, and streetscape furniture and amenities.

In addition to the previously stated Public Facilities and Services Policy PFS-1.2, sewer and water improvement projects in the CIP adhere to the policies under the following Public Facilities and Services goals:

Goal PFS – 3:

Maintain a level of service in the City's water system that meets the needs of existing and future development while improving water system efficiency.

Goal PFS – 4:

Maintain a level of service in the City's wastewater collection and disposal system to meet the needs of existing and future development.

ECONOMIC IMPACT

Five of the 22 CIP funds rely on transfers from the General Fund for project expenses. Overall, there is an increase of \$592,000 in transfers from the General Fund to the CIP compared to FY 2018.

CIP Fund	FY18 GF Transfer	FY 2019 GF Transfer	Increase/Decrease from FY 2018 CIP
401- Strategic Initiatives Projects (NEW)	\$0	\$156,000	\$156,000
405- Capital Projects Governmental	\$279,000	\$958,000	\$669,000
460- Transportation System Improvements	\$450,000	\$350,000	(\$100,000)
726 – Facilities Management Capital	\$125,000	\$280,000	\$155,000
731 – Information Technology Capital	\$1,859,000	\$1,500,000	(\$359,000)
Total Cost to General Fund	\$2,713,000	\$3,244,000	\$211,000

Four of the CIP funds also use Internal Service Fund fees (ISF) to finance project expenses. ISF are collected from other department's operating budgets and are considered General Fund expenses.

CIP Fund	FY18 ISF	FY 2019 ISF	Increase/Decrease from FY 2018 CIP
726 – Facilities Management Capital	\$166,000	\$300,000	\$134,000
731 – Information Technology Capital	\$622,000	\$630,000	\$8,000
736 – Fleet Management Capital	\$645,000	\$3,113,000	\$2,468,000
Total Cost to General Fund	\$1,433,000	\$4,043,000	\$2,610,000

Due to cost saving measures to address the City's budget deficit in FY 2018 last year, expenses were minimized in Fund 736 – Fleet Management Capital. FY 2019 increases the expenditures to a more typical level.

FISCAL IMPACT

The Recommended FY 2019 – FY 2028 CIP currently contains approximately \$152 million of projects for FY 2019, an estimated \$503 million for the next ten years, and an additional \$410 million in unfunded needs.

Project costs by category are as follows:

Category	2019 Total
Livable Neighborhoods	\$5,309,000
Road & Street Projects	\$29,078,000
Building/Miscellaneous Projects	\$36,599,000
Fleet Management	\$3,609,000
Equipment (Includes Information Technology)	\$4,226,000
Water Systems Projects	\$22,849,000
Sewer Systems Projects	\$45,965,000
Airport Projects	\$4,282,000

The project costs by funding sources are as follows:

CIP Funding Sources (in thousands)	2019
Measure B/BB	4%
General Fund (GF)/Internal Service Fund (ISF)	5%
Gas Tax/VRF/RRAA	6%
Measure C	12%
Grants	16%
Other Reimbursements/Contributions	21%
Enterprise/Utilities	36%

STRATEGIC INITIATIVES

The three Council Strategic Initiatives adopted in November 2016: Complete Streets, Complete Communities, and Tennyson Corridor, are continually on the forefront when planning capital projects. To the extent possible, a formal management and implementation process ensures that CIP projects are aligned with the City's Strategic Initiatives and that the value each one of them generates is being maximized. City staff strive to effectively communicate the benefits of Strategic Initiatives to stakeholders at all levels of a project.

SUSTAINABILITY FEATURES

The action taken for this agenda report will not result in a physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon a future Council action. Sustainability features for individual CIP projects are listed in each staff report.

PUBLIC CONTACT

The public had an opportunity to review and comment on the CIP at the Council Infrastructure Committee meeting on April 25, 2018, at a City Council Work Session on May 8, at tonight's Planning Commission meeting, and will again at the City Council Public Hearing on May 22. A notice advising residents about the public hearings on the CIP are published in the paper the requisite ten days in advance. The agenda for the Council work session on the CIP is posted in City Hall as well as the

Library. A printed copy of the Recommended CIP is made available online, at the Public Works' office, at the City Clerk's office, and at the Main Library. Individual projects receive Council approval and public input as appropriate.

NEXT STEPS

Once the Commission has completed the review of the Recommended CIP and found it in conformance with the General Plan, the CIP will be reviewed at a Council public hearing and adoption of the CIP budget which is currently scheduled for May 22, 2018.

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Recommended by: Sara Buizer, Planning Manager

Approved by:

A handwritten signature in blue ink, appearing to read 'SB', is written over a horizontal line.

Stacy Bristow, Interim Development Services Director