



DATE: May 9, 2019

TO: Planning Commission

FROM: Sara Buizer, Planning Manager

SUBJECT Recommended FY 2020 – FY 2029 Capital Improvement Program

RECOMMENDATION

That the Planning Commission finds that the Recommended FY 2020– FY 2029 Capital Improvement Program is consistent with the *Hayward 2040 General Plan*.

SUMMARY

The City'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. The CIP planning document (Attachment II) includes budget recommendations that contain revenue and expenditure estimates for capital projects.

The proposed CIP budget includes approximately \$148 million in FY 2020 and an estimated \$520 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, 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 of the City's currently Recommended FY 2020 – FY 2029 CIP to ensure conformance with the City's General Plan. The City Council will review the [Recommended FY 2020 – FY 2029 CIP](https://www.hayward-ca.gov/your-government/documents/capital-improvement-program)¹ at a work session on May 7, 2019.

Council Infrastructure Committee: This year, the Council Infrastructure Committee discussed the CIP process from a broad policy perspective and recommended evaluating specific measures for selecting projects and improving the process. Due to the timing of the Council Infrastructure Committee (CIC) review and the long-range nature of the policy considerations, only a few of the recommendations have been incorporated in the current year's CIP.

¹ <https://www.hayward-ca.gov/your-government/documents/capital-improvement-program>

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: 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 projects include 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 2020 Pavement Maintenance and Pavement Rehabilitation Project, and the Downtown Specific Plan Implementation, 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- Serving All Users: 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- Energy Efficiency Measures: 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 need for fleet vehicles is annually assessed as part of the CIP process and the use of “green” technology in being incorporated when purchasing vehicles. The practice to operate and manage the City’s fleet in a sustainable manner align with:

Goal PFS-2: Operate and function in a sustainable manner, use public revenues and resources efficiently, and provide professional, high-quality service to residents and businesses.

Policy PFS-2.3- Sustainable Practices: The City shall serve as a role model to businesses and institutions regarding purchasing decisions that minimize the generation of waste, recycling programs that reduce waste, energy efficiency and conservation practices that reduce water, electricity and natural gas use, and fleet operations that reduce gasoline consumption.

The CIP also focuses on beautification and improvement of landscaping along key thoroughfares, including mural painting and median landscaping and curb reconstruction projects, 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

The direct economic impact of these projects is not quantifiable. However, maintaining and improving the City's infrastructure and fleet will have an unquestionable impact on maintaining and improving economic health and vitality of the City.

FISCAL IMPACT

Five of the twenty-one CIP funds rely on transfers from the General Fund for project expenses. Proposed changes are noted in the table below:

Fund	FY 2019 GF Transfer	Proposed FY 2020 GF Transfer	Change from FY 2019 adopted CIP
401- Strategic Initiatives Projects	\$156,000	-	(\$156,000)
405- Capital Projects Governmental	\$968,000	\$640,000	(\$328,000)
460- Transportation System Improvements	\$350,000	\$350,000	-
726- Facilities Management Capital	-	\$360,000	\$360,000
731- Information Technology Capital	\$1,500,000	\$585,000	(\$915,000)
Total Cost to General Fund	\$2,974,000	\$1,935,000	(\$1,039,000)

Four of the CIP funds are also Internal Service Funds (ISF), meaning they use Internal Service fees to finance project expenses. Internal Service fees are collected when one City department provides a service to another, drawing those service expenses from the operating budget of the benefiting department. Although some departments are funded by Enterprise funds, many are part of the General Fund. The total General Fund impact of Internal Service fees are shown below.

Fund	FY 2019 ISF (General Fund Impact)	FY 2020 ISF (General Fund Impact)	Change from FY 2019 adopted CIP
726- Facilities Management Capital	\$260,618	\$258,570	(\$2,048)
731- Information Technology Capital	\$540,892	\$653,832	\$112,940
736- Fleet Management Capital (General Fund)	\$2,113,000	\$3,033,049	\$920,049
737- Fleet Management Capital (Enterprise)	\$0	\$0	-
Total Cost to General Fund	\$2,914,510	\$3,945,451	\$1,030,941

There is an overall decrease of \$8,000 to the General Fund impact compared with the FY 2019 adopted CIP.

The Recommended FY 2020 – FY 2029 CIP currently contains approximately \$148 million of projects for FY 2020, an estimated \$520 million for the next ten years, and an additional \$410 million in unfunded needs. Project costs by CIP category are as follows:

Category	FY 2020 Total
Livable Neighborhoods	\$27,192
Road & Street Projects	\$24,120
Pavement Rehabilitation Projects	\$10,913
Building/Misc Projects	\$31,825
Fleet Management	\$4,249
Equipment	\$2,499
Water System Projects	\$22,240
Sewer System Projects	\$18,908
Airport Projects	\$5,884

The major CIP funding sources are as follows:

CIP Funding Source	FY 2020
Measure B/BB	4%
General Fund (GF)/Internal Service Fund (ISF)	4%
Gas Tax/Vehicle Registration Fee/Road Repair and Accountability Act	5%
Other Reimbursements/Contributions	17%
Measure C	18%
Grants	20%
Enterprise/Utilities	32%

Strategic Initiatives: The three Council Strategic Initiatives set in November 2016, of 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 Council'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


Members of the public had an opportunity to review and comment on the CIP at the City Council Work Session on May 7, at this evening's Planning Commission meeting, and will again at the City Council Public Hearing on May 21. 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 Weekes Library. A printed copy of the Recommended CIP is made available online, at the Public Works' Department office, at the City Clerk's office, and at Weekes 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 21, 2019.

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