

**HAYWARD REDEVELOPMENT AREA COMMITTEE  
SPECIAL MEETING**

**May 12, 2010 at 7:00 p.m.**

**Room 1C  
Hayward City Hall  
777 B Street  
Hayward, CA 94541**

The Public Comments section provides an opportunity to address the Committee on items not listed on the agenda. The Committee 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 Committee or are within the jurisdiction of the City. As the Committee 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.

**AGENDA**

- I. Call to Order
- II. Public Comments
- III. Approval of Minutes – February 17, 2010 meeting
- IV. Review of Redevelopment Agency Budget
- V. Downtown Area Update
- VI. Adjournment

---

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Please request the accommodation at least 48 hours in advance of the meeting by contacting the Redevelopment Agency at (510) 583-4260 or by using the TDD line for those with speech and hearing disabilities at (510) 247-3340.

---

**Minutes**  
**Hayward Redevelopment Area Committee (HRAC)**

**February 17, 2010**

**Present:** Rosemarie Ramos, Bonnie Peyton, Mike Brewer, Terry Lee, David Long

**Absent:** Michael Aahl, Don Orque, Bill Vandenburg

**Staff:** Maret Bartlett, Redevelopment Director

---

**I. Call to Order**

The meeting called to order at 7:00 p.m.

**II. Public Comments**

None.

**III. Approval of Minutes**

The minutes of For the January 13, 2009 meeting were approved by general consensus of the Committee members present.

**IV. Redevelopment Project Area Implementation Plan 2010-2014**

The Committee reviewed the Draft Implementation Plan, with particular attention to the Non-Housing Activities section of the Plan. The Committee discussed the activities proposed for each sub-area of the Redevelopment Project Area, and adopted the following motions:

**Motion No. 1:** The top priority activity for Redevelopment Agency funding in the Downtown sub-area should be to re-evaluate the Downtown Plan in light of the economic impacts of the Route 238 "Downtown Mini-Loop".

Motion No. 1 was made by Bonnie Peyton, and seconded by David Long, and was unanimously approved.

**Motion No. 2:** The Hayward Redevelopment Advisory Committee also strongly encourages the development of a specific plan for the Mission Boulevard Corridor from Harder Road north to Jackson Boulevard, as a priority expenditure item.

Motion No. 2 was made by Terry Lee, and seconded by Bonnie Peyton, and was unanimously approved.

**Motion No. 3:** A second priority for the expenditure of funds should be to plan for the Mission Boulevard from A Street to Grove Way.

Motion No. 3 was made by Bonnie Peyton, and seconded by Rosemary Ramos, and was unanimously approved.

**VI. Adjournment** - The meeting was adjourned at 9:00 pm.



**DATE:** May 12, 2010  
**TO:** Hayward Redevelopment Area Committee Members  
**FROM:** Redevelopment Director  
**SUBJECT:** Redevelopment Agency Budget Fiscal Year 2011

### **RECOMMENDATION**

That the Hayward Redevelopment Area Committee reviews the Agency Budget for Fiscal Year 2011, and comments on the proposed budget and activities.

### **BACKGROUND**

The Redevelopment Agency's annual budget is considered and adopted each June along with the City budget. The City/Agency fiscal year runs from July 1 to June 30<sup>th</sup>. On February 16, 2010, the City Council/Agency Board considered mid-year adjustments to the FY 2010 budget. As discussed below, the Agency's mid-year budget adjustments were necessary in light of reductions to its annual revenue, as well as an anticipated major payment to the State.

During the current fiscal year (FY 2010), the Agency's total annual property tax increment revenue – including both low/moderate income housing setaside funds and non-housing funds - declined from \$12.6 million received in the prior fiscal year to an estimated \$10.5 million, resulting in a 17% reduction in revenue. The reduction is attributed to the effects of the economic recession, as the assessed value of properties in the Project Area declined for the first time in over a decade.

Furthermore, in July 2009 the State approved Assembly Bill 26 which authorized Supplemental Educational Revenue Augmentation Fund (SERAF) payments from redevelopment agencies statewide in the amount of \$1.7 billion in FY 2010 and \$350 million in FY 2011. This resulted in obligations for the Hayward RDA in the amount of \$4.4 million in FY 2010 and \$909,000 for FY 2011. While this payment to the State was legally challenged by the California Redevelopment Association and others, the courts rendered a decision on May 4<sup>th</sup> that upheld the State payment. The decision will be appealed; however, the FY 2010 payment is due on May 10<sup>th</sup>. The FY 2010 payment will be made by borrowing \$3.4 million from the Agency's Low/Mod Housing fund, and by borrowing \$1 million from the Agency's Operating fund. The Agency will also defer repayment of certain debt to the City's Water and Sewer enterprise funds in order to allow this payment.

As a result of both the reduction in tax increment and the SERAF payment, the Agency Board adopted the following adjustments to the FY 2010 budget:

- Budget revenue was reduced by \$1,015,195 in the Agency's Operating/Project fund 451 and by \$174,202 in the Low/Mod Housing fund 452 – as a result of lower tax increment revenues;
- Budget expenditure net reductions of \$599,995 in the Operating fund, largely reflecting a reduction in the budget for the Downtown Retail Attraction Program by \$500,000;
- Low/Moderate Income Housing fund program expenditure net increase by \$2.2 million, which was required for the SERAF payment.

## DISCUSSION

The Alameda County Assessor's office has estimated that assessed values will decline by approximately 5% for the next year, lowering the Agency's total tax increment to approximately \$10.0 million for FY 2011. Of that amount, 20%, or \$2 million is set aside for the Low/Moderate Income Housing fund. Staff currently projects that tax increment will start to grow at a very slow rate by the following year, and that growth rates will slowly increase in following years. The following is a summary of significant revenue and expenditures categories identified in the Agency's proposed budget for FY 2011. Due to projected revenue reductions, the Agency's ability to undertake projects in the coming years is severely limited, and priorities must be carefully considered:

### *PROPOSED AGENCY OPERATING EXPENDITURES:*

- Agency Bond Debt Service - \$3.9 million;
- Pass-Through Payments to Taxing Entities - \$1.4 million;
- Loan Repayment to General Fund - \$800,000 annual payment for City Hall Parking;
- Agency Administration - \$905,000 including salaries, City overhead payments, property maintenance and utilities; and,
- Planning Studies and Predevelopment Activities - \$450,000.

### *PROPOSED AGENCY PROJECT ACTIVITIES:*

#### Capital Projects

- Downtown Retail Attraction Program - \$1.0 million for facade improvement loans for buildings impacted by Route 238 Project along specific blocks on Foothill Boulevard;
- South Hayward BART TOD Project - \$300,000 for design of public improvements;
- Completion of Mission Boulevard Specific Plan - \$250,000; and,
- City Center Campus – continue to support redevelopment of City Center Site -no budget.

#### Low and Moderate Income Housing

- South Hayward BART TOD Project - \$3.0 million for affordable housing development;
- First Time Homebuyer Loans - \$600,000 for loans to first time homebuyers citywide; and,
- Route 238 First Time Homebuyer Loans - \$2.0 million (budgeted in FY 2009) for first-time homebuyer loans to CalTrans tenants along the Route 238 corridor.

## **NEXT STEPS**

In late May 2010 the City Council/Agency Board will hold a Work Session to discuss the City and Redevelopment Agency budgets for FY 2011. The final budgets will be adopted at public hearing, which is scheduled for June 21, 2010, and after approval will become effective July 1, 2010.