HAYWARD REDEVELOPMENT AREA COMMITTEE
REGULAR MEETING

July 14, 2010 at 7:00 p.m.

Room 2A
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 of May 12, 2010 Meeting

IV. Update on Mission Boulevard Specific Plan and South Hayward BART/Mission Boulevard Form-Based Code

V. Update: Cannery Place Development, Inclusionary Housing Amendments, and Hathaway Properties

VI. Discussion – Consolidation of Committees

VII. 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)
Special Meeting
May 12, 2010

Present: Michael Aahl, Mike Brewer, David Long, Don Orque (Chair), Rosemarie Ramos, and Bill Vandenburgh.

Absent: Terry Lee, Bonnie Payton

Staff: Paul Dalmon, Project Manager
Gloria Ortega, Project Manager

Others: Bill Espinola (property owner Mission/Foothill Sub-Area)

I. Call to Order

The meeting called to order at 7:05 p.m.

II. Public Comments

None.

III. Approval of Minutes

Ms. Ramos made a motion to approve the minutes of the February 17, 2010, meeting. Mr. Long seconded the motion and the minutes were approved unanimously.

IV. Review of Redevelopment Agency Budget

Mr. Dalmon gave an overview of the proposed Agency budget for FY 2011, and he responded to member questions. He noted that for FY 2010 the Agency was experiencing a 17% decline in tax increment revenue due the economic recession and declining assessed property values. He also discussed the State mandated SERAF payments, which coupled with the declining tax increment, the impact they have on the Agency's ability to undertake projects.

V. Downtown Area Update:

Downtown Retail Attraction

Ms. Ortega gave an update on the Downtown Retail Attraction Program. She highlighted the assistance provided to specific property owners and new

businesses in the Downtown. She also addressed the Agency's recent efforts to assist businesses along certain blocks of Foothill Boulevard that will be affected by the Route 238 Corridor Improvement Project.

Of the members comments, Mr. Aahl expressed concern about the allowing a church to occupy the site of the former Chevrolet dealership on Mission Boulevard; Mr. Brewer noted that Cinema Place should have a marquee for the theater on the corner Foothill and B Street; and Mr. Orque suggested that the City should consider deferring fees to attract new businesses to the Downtown.

Route 238 Corridor Improvement Project

Mr. Dalmon gave a presentation on the schedule for implementing the Route 238 Corridor Improvement Project. He indicated that Public Works was presently requesting bids for construction to commence in August of this year. He also addressed how the improvements in the Downtown would be phased in.

City Center Campus

Mr. Dalmon talked about the issues the developer is having with moving forward on the City Center Campus project in light of the economic recession. He indicated that the City is moving forward with plans to deconstruct Centennial Hall during the interim.

VI. Adjournment

The meeting was adjourned at 8:40 pm.

CITY OF
HAYWARD
HEART OF THE BAY

DATE: July 14, 2010

TO: Hayward Redevelopment Area Committee (HRAC)

FROM: Redevelopment Director

SUBJECT: **Update on Mission Boulevard Specific Plan and South Hayward BART/Mission Form-Based Code**

At the upcoming HRAC meeting, an update on the Mission Boulevard Specific Plan and the South Hayward Form-Based Code project will be provided to the Committee. Attached for your information and review are two City Council work session reports: one dated April 27, 2010 regarding the South Hayward BART/Mission Form Based Code Project, and the other presented on June 22, 2010 regarding Mission Boulevard Specific Plan. Staff will forward any comments you may have regarding these proposed planning projects.

Attachments:

I. City Council Staff Report dated April 27, 2010: "Draft South Hayward BART Mission Boulevard Form-Based Code"
II. City Council Staff Report dated June 22, 2010 "Mission Boulevard Corridor Specific Plan"

CITY OF
HAYWARD
HEART OF THE BAY

DATE: April 27, 2010

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Draft South Hayward BART/Mission Boulevard Form-Based Code

RECOMMENDATION

That Council comments on this report and the attached draft Form-Based Code (Attachment I) and provides direction for next steps.

SUMMARY

The South Hayward BART/Mission Boulevard Form-Based Code (Code) is intended to replace the zoning and related regulations associated with the area along Mission Boulevard and surrounding the South Hayward BART station area east of the BART tracks (see project area map, Attachment II). The Code follows the *SmartCode* template in that it promotes walkability and neighborhood focus and connectivity; attractive public realms along streets; and planned civic spaces, including open space -- all of which are integrated into the urban fabric. The Code contains two transect zones of T4 and T5 (see later discussion), two transit-oriented development (TOD) overlay zones near the BART station, civic/open space zones, and new development standards, including new land use densities and only maximum (versus the typical minimum) parking standards.

The Code would not downzone any properties. In addition, the densities shown in the attached Code would, for certain properties, exceed those adopted as part of the 2006 South Hayward BART/Mission Boulevard Concept Design Plan, as do densities for some of the properties between Mission Boulevard and Dixon Street south of Valle Vista Avenue, associated with the 2009 238 Bypass Land Use Study. The attached map (Attachment III) identifies those properties where densities would exceed existing densities. Based on the densities shown in the attached Code, approximately 835 net new additional living units could be accommodated in the Code area compared with existing designations.

Should the City Council indicate support for the draft Code, staff would recommend that a preliminary traffic impact analysis be completed within the next two months, and be presented to the City Council before requesting permission to proceed with a full environmental impact analysis. Such preliminary analysis would provide City Council with an idea of anticipated impacts related to traffic as a result of anticipated development related to the Code.

BACKGROUND

The City Council authorized the hiring of Hall Alminana, Inc. (Hall Alminana) in May of 2009 to prepare a form-based code and related technical studies. After receiving input from the community at a public charrette in early October 2009, the consultant team has been working with staff on developing a draft form-based code for the project area. The attached charrette poster (Attachment IV) is available on the City's website at http://www.ci.hayward.ca.us/forums/SHBARTFBC/pdf/2010/Hayward%20charrette%20poster.pdf and summarizes the input received during the charrette.

Additionally, a draft Parking and Transportation Demand (TDM) Strategy has been prepared that contains eight recommendations for parking management and TDM policies in the Code area, which was presented to the Council Sustainability Committee on April 7, 2010. As indicated toward the end of this report, a Market Analysis and Fiscal Impact Analysis have also been prepared identifying the level of anticipated future development associated with the Draft Form-Based Code. This analysis shows that such development would be an overall net positive fiscal impact, when also accounting for tax increment revenue generation that would go to the Redevelopment Agency.

DISCUSSION

Overview of the Draft Code - The following sections provide a brief summary of the contents of the attached Code. The Code's organization follows that of the Model SmartCode[1]. The City's consultant team will make a presentation during the April 27 work session to summarize the Code and its contents.

Purpose and Applicability of the Code (pages SC4 to SC9) – This section indicates that the Code seeks to implement the policies and objectives of the Hayward General Plan, particularly those related to smart growth principles. Purposes of the Code related to the community, transect, block, and building scale are identified. The Code identifies two transect zones (the T-4 General Urban Zone and the T-5 Urban Center Zone) out of a possible six zones that could exist under the SmartCode. The Transect is defined in the Definitions section of the Code as, "a cross-section of the environment showing a range of different habitats. The rural-urban Transect of the human environment used in the SmartCode template is divided into six Transect Zones. These zones describe the physical form and

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[1] The SmartCode is an integrated land development ordinance. It folds zoning, subdivision regulations, urban design, public works standards and basic architectural controls into one compact document. It is also a unified ordinance, spanning scales from the region to the community to the building. The SmartCode was released by Duany Plater-Zyberk and Company (DPZ) in 2003, after two decades of research and implementation. The code is open source and free of charge. http://www.smartcodecentral.org
The non-profit Center for Applied Transect Studies (CATS) was founded in 2007 to promote understanding of the built environment as part of the natural environment, through the planning methodology of the rural-to-urban transect. The SmartCode is the foundational tool for implementation of this methodology.

character of a place, according to the Density and intensity of its land use and Urbanism." Additional information on the concept of transect zones can be found at http://www.transect.org/.

The Code indicates that the regulations contained in the City's Municipal Code still apply, except where the Code's provisions conflict with those of the Municipal Code. In particular, as indicated on pages SC8 to SC9, the Code's provisions would supersede provisions of certain sections of the Zoning Ordinance, Off-Street Parking Regulations, the Subdivision Ordinance, and the Sign Regulations. For example, the various zoning districts in the project area would be replaced with an Urban General Zone (Transect Zone T4), an Urban Center Zone (Transect Zone T5), with two TOD Density Overlay Zones, and a Civic Open Space Zone. Also, the parking standards applicable to the rest of the City that specify the amount of parking required for various uses would also be replaced with new standards that specify a maximum number of spaces, rather than the typical minimum number of spaces, with non-residential uses not being required to provide any parking.

Regulating Plan and Transect Zones (pages SC10 to SC34) – These sections of the Code indicate that the Regulating Plan (Figure 1-1) would serve as the Zoning Map for the Code area. Special requirements are included for mandatory and recommended Shopfront Frontage areas, as well as for Terminated Vista locations. (Downtown's All-Saints Church provides an excellent example of a terminated vista looking eastward along D Street.) Transect zones in the Regulating Plan are referenced, with the T4 zone indicated in much of the Code area, except where the more intensive T5 zone is indicated. As shown in the Regulating Plan (Figure 1-1 near the end of the Code), the T5 zone is generally shown within a half-mile of the South Hayward BART station and at two selected neighborhood centers: the Mission Plaza Shopping Center site and at the K-Mart site at Harder Road and Mission Boulevard, both of which are envisioned for redevelopment. Planned Terminated Vistas are also shown at selected locations.

Two Transit-Oriented Development (TOD) density overlay zones are shown in the area near the BART station. The TOD Density Overlay1 zone pertains to those properties very near the South Hayward BART station and includes the approved mixed use development site at the station and between Dixon Street and Mission Boulevard. The densities for that overlay zone reflects existing densities of 75 to 100 dwelling units per acre. The TOD Density Overlay 2 zone applies to properties generally within a ¼ mile of the BART station, including around the Mission Boulevard/Tennyson Road intersection, and indicates a density range of 40 to 65 dwelling units per acre. Such TOD overlay zone was not indicated in the preliminary regulating plan developed during the October 2009 charrette, but is recommended for various reasons:

1. To promote the concept recommended by the City Council to reduce densities as one moves further away from the BART station;
2. To promote smart growth principles that encourage higher densities near transit stations to promote walkability;
3. To incentivize new development by providing greater land value with increased densities; and
4. To provide land values that will more likely result in dedication of new public roadways. (Such roadways are shown in Figure 1-3 of the Code and are recommended to reduce block sizes and promote pedestrian connectivity.)

Also in this section of the Code, standards for the Civic Space (CS) Zone are identified. The purpose of the CS Zone is stated to be "for the provision of public Open Space, Civic Buildings, and Civic uses." Table 10 (page SC49) identifies the four types of civic spaces and the transect zones where such spaces would be located. The Regulating Plan indicates that such spaces would be located at the BART station (plaza), at the southwest corner of Mission Boulevard and Valle Vista Avenue where a future park and community center are envisioned (park/square), at the southwest corner of the Code area along the BART tracks off Industrial Boulevard across from the Mission Hills of Hayward golf course complex (linear park), in the area around a future Bowman Elementary School site off Mission Boulevard (park/square), and along Zeile Creek in the northern part of the Code area near the existing K-Mart site (small neighborhood park).

The remaining sections in this portion of the Code contain written standards related to the following items, most of which are graphically depicted and/or summarized in Tables 11 and 12A and 12B (pages SC50 to SC52):

- *Building Disposition* - related to placement of buildings on lots;
- *Building Configuration* - related to the form of buildings, based on massing, private frontage, and height (note that the T4 and T5 zones require that at least 15 and 10 percent of lot areas be common open space (also allowing for such space atop roof decks);
- *Building Functions* - related to use of buildings, summarized in Table 9 on page SC48;
- *Density Standards* - defines the density standards for the two TOD overlay zones of 75 to 100 units per acre and 40 to 65 units per acre, respectively;
- *Parking Standards* – indicates no requirements at all for non-residential development, no minimum requirements for residential development, but maximum standards in the T4 zone of 1.75 spaces per rental unit and 2.0 spaces per ownership unit and 1.5 spaces and 1.8 spaces for each rental and ownership unit in the T5 zone (note additional allowance for ownership units, to promote those types of units);
- *Architectural Standards* – identifies standards related to architecture;
- *Fence and Wall Standards* - provides standards related to fences and walls;
- *Landscape Standards* – establishes a threshold for amount of impermeable surface coverage on lots; restricts mechanical and related structures and features to portions of the lot that are located away from the street frontage; requires security lighting in accordance with current standards; and details standards for trees along streets on properties in the two Transect zones;
- *Visitability Standards* - indicates standards to encourage accessibility and activity at the street level (related to universal design);
- *Sustainability Standards* – contains standards related to wind power (see Table 13A in the Code), solar power (Table 13B), food production (Table 13C), and stormwater management techniques (Table 13D);
- *Thoroughfare Standards and Plan (reference Table 2 and Figures1-2 and 1-3 in the Code)* – identifies purposes of the standards and plan; contains standards for different types of thoroughfares with an emphasis on promoting pedestrian movement and accommodating bicycle movement; identifies where those various thoroughfares are located throughout the

Code area (Figure 1-2: Thoroughfare Plan) and where new streets are proposed (Figure 1-3); also identifies on page SC27 incentives to encourage property owners to dedicate new thoroughfares, including application processing priority, increased density (four additional units for every 100 linear feet of thoroughfare dedication and construction) and height (one additional story for new thoroughfare and dedication);

- *Subdivision Standards* – describes standards for subdividing land, including establishing maximum lot widths;
- *Sign Standards* – contains standards related to signs; and
- *Telecommunication Facility Standards* – includes standards associated with such facilities.

Standards and Tables (pages SC35-SC56) - This section of the Code contains various tables that relate to and summarize the previous section's content. Table 2 on pages SC37 to SC41 shows the various thoroughfares and includes cross sections for each thoroughfare type; Table 3 shows the various public lighting fixture styles; Table 9 lists the various functions and uses permitted in the T4 and T5 zones; Tables 11 and 12A &B provide a summary of the various standards for the two transect zones, including graphics to help depict desired development configurations; and Tables 13A-D show facilities and standards related to sustainability.

Procedures (pages SC57 to SC67) - This section outlines the general approval requirements and processes, with reviewing authorities and roles summarized in Table 14. Prohibited uses are also identified, as are structures, land uses, and activities that are exempt from the planning permit requirements of the Code. The remaining portions of this section outline the variance process to obtain exceptions and warrants to various development standards, and indicates that the Planning? Commission shall review the outcomes of the Code every five years and forward any findings regarding such review to the City Council.

Definitions and Rules of Interpretation (pages SC68 to SC81) - Terms used in the Code are defined in this section, some of which are graphically depicted in Table 15. Rules of interpretation are also identified here, as well as the process and findings required for issuing official interpretations.

Form-Based Code Comparison to Existing Land Use & Development Rules - As indicated in presentations prior to and during the October, 2009 charrette, the Form-Based Code consolidates existing land use and development rules into a single, concise document. In doing so, the Form-Based Code makes the community's expectations clear to prospective developers. Prior ambiguous, conflicting, or antiquated rules are removed and will no longer apply.

In comparing the Form-Based Code to prior land use and development rules, the following would be accomplished:

- Nine (9) zoning designations consolidated into three zones (i.e., T4, T5 and Civic Space) with two TOD overlays. A comparison of changes to primary development standards is illustrated in Attachment V.

- A simplified land use classification scheme more in line with contemporary commercial activities, which provides the Director greater ability to interpret the classification of specific proposed businesses.
- Continuance of the prior decision-making bodies and steps for changes to existing development and/or new development.

Environmental Review – Staff has worked closely with the project team's economic consultant in determining densities that would be supported by current and future market conditions. The total amount of anticipated new residential and commercial development per market conditions as indicated in the following "Economic Impact" section would be less than what could be realized based simply on land use densities and development standards. When conducting an environmental analysis, staff will utilize and tier off information in two previous environmental impact reports (EIRs): the 2006 South Hayward BART/Mission Boulevard Concept Design Plan and the 2009 238 Bypass Land Use Study. The Concept Design Plan EIR analyzed impacts of potential development based on land use densities and standards for three alternatives: Suburban Concept, Blended Concept, and the Urban Concept. The General Plan Land Use and Zoning Designations associated with the Concept Design Plan project that the City adopted were most similar to the Blended Concept. However, a full environmental analysis was conducted for all three concepts, including the Urban Concept, which envisioned 3,707 net new dwelling units and 520,106 square feet of new retail, office and other non-residential land uses, an increase of approximately 67,789 square feet over pre-project land use conditions.

As indicated previously, and because traffic impacts are often substantial and difficult to mitigate, staff recommends that a preliminary traffic impact assessment be completed and presented to City Council prior to conducting a full impact analysis on the Code and its impacts. Such analysis would assess impacts at key intersections within and near the Code area, due to new development related to implementation of the Form-Based Code.

It is anticipated such preliminary analysis would be presented to Council in approximately two months. However, should Council wish to authorize proceeding with a full impact analysis at this time, staff would do so and present the Final Code, environmental impact analysis per the California Environmental Quality Act (CEQA), and Final Parking Strategy Report to City Council during late summer or fall of this year. The CEQA analysis is anticipated to entail development of at least a Supplemental Environmental Impact Report (EIR) that tiers off previous related EIRs.

ECONOMIC IMPACT

A market analysis was completed by consultant ERA/AECOM in September of 2009 for the project primary market area (PMA). The PMA, which includes areas outside the Code area to the east and south, is bounded by the railroad/BART tracks to the west, Harder Road to the north, the Hayward Hills to the east, and Whipple Road to the south. That report is available on the City's website at http://www.hayward-ca.gov/forums/SHBARTFBC/pdf/Market_Analysis_FINAL_REPORT.pdf and indicates the following:

1. The consultant estimates that the PMA could support demand for an additional 1,300 to 1,600 market-rate residential units over the next 20 years, with almost all of that demand associated with multi-family units.
2. Including anticipated new affordable units, it is anticipated that the PMA would see development of approximately 2,000 multi-family units over the next 20 years.
3. Overall, the retail sector within the Form-Based Code project area has not kept up with the rest of the City. Despite robust growth in population and incomes, the presence of the BART station and the high number of Mission Boulevard commuters, practically no new retail space (only 2.8 percent growth) has been built in the Code area since the year 2000 and occupied space has in fact declined.
4. Retail demand analysis shows potential for approximately 170,000 to 205,000 square feet of retail and restaurants within the Code area (14 to 17 percent of total citywide retail demand), with the majority (60 percent) of that demand materializing over the 2020-2030 period.

FISCAL IMPACT

A fiscal impact analysis has been prepared and is available on the City's website at: http://www.ci.hayward.ca.us/forums/SHBARTFBC/pdf/2010/South%20Hayward%20BART%20Area%20Fiscal%20Impact%20Report%202-25-2010.pdf. Projected revenues would be generated from a variety of sources, including primarily property and sales taxes, the utility users' tax, and the real property transfer tax. Projected expenditures would be associated primarily with the provision of police and fire services.

According to the City's consultant, it is estimated that development spurred by the Form-Based Code in the project area will have a net negative impact on the General Fund of approximately $379,000 per year between 2010 and 2020 and approximately $403,000 annually between 2020 and 2030. However, that negative impact to the General Fund would be more than offset due to the tax increment that would be generated annually to the Redevelopment Agency ($506,000 in 2020 and $1,836,000 in 2030).

To reduce impacts due to future growth on the General Fund balance, and as required for the Wittek-Montana-Eden Housing mixed use project at the South Hayward BART station, a new community services district (CSD) fee could be imposed by the City on all new housing to offset the service requirements of the new population. If a CSD fee of $500 per unit per year is assumed for all new housing developed from this point forward, including affordable housing units, then the impacts to the City's General Fund balance would be positive as well. The following table summarizes the results of the fiscal impact analysis.

	Scenario 1 2020	Scenario 2 2030
Estimated Annual General Fund Revenues Generated from South Hayward BART Station Area FBC	$380,360	$1,224,635
Estimated Annual General Fund Expenditures Generated from South Hayward BART Station Area FBC	$759,235	$1,627,218
Assumed CSD for New Housing at $500 per Unit [1]	$394,000	$886,500
Net Impact on City of Hayward General Fund	**$15,125**	**$483,917**
Annual Tax Increment Accrued to Redevelopment Agency as a result of new development in the S. Hayward BART Station Area FBC	$505,941	$1,835,880

[1] For all units including affordable units

PUBLIC CONTACT

As mentioned previously, an intensive five-day charrette was conducted in early October, 2009. During that process, input was received from the public about what the community desires in the South Hayward BART/Mission Boulevard area, and a draft regulating plan and related drawings were developed. The attached draft Code reflects the input provided by the community during the charrette.

NEXT STEPS

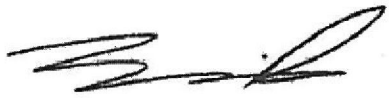
Depending on Council direction, staff will take one or more of the following actions:

1. Amend the Draft Code to reflect densities more in line with the 2006 Concept Design Plan and proceed with development of the Final Code and related documents, and a Supplemental Environmental Impact Report or Mitigated Negative Declaration, to be presented to City Council this summer;
2. Proceed with conducting a preliminary traffic impact analysis reflective of anticipated development associated with the Draft Code, and present the results of such analysis to the City Council in July;
3. Proceed with development of the Final Code and related documents; conduct a full environmental impact analysis reflective of anticipated development associated with the Draft Code; prepare a Supplemental Environmental Impact Report or full Environmental Impact Report; and present the Final Code, EIR, and supporting documents to City Council sometime in the fall of this year; or
4. Proceed with another course of action, based on City Council direction.

Staff recommends option #2 above: Proceeding with conducting a preliminary traffic impact analysis reflective of anticipated development associated with the Draft Code, and presenting the results of such analysis to the City Council in June or July.

Prepared by: David Rizk, AICP, Development Services Director

Approved by:



Fran David, Acting City Manager

Attachments:

Attachment I	*Draft South Hayward BART/Mission Boulevard Form-Based Code*, dated March 3, 2010
Attachment II	Map of Code Area
Attachment III	Properties That Would be "Up-Zoned"
Attachment IV	South Hayward BART/Mission Boulevard Charrette Poster
Attachment V	Existing and Form-Based Code Zoning Comparisons (table)

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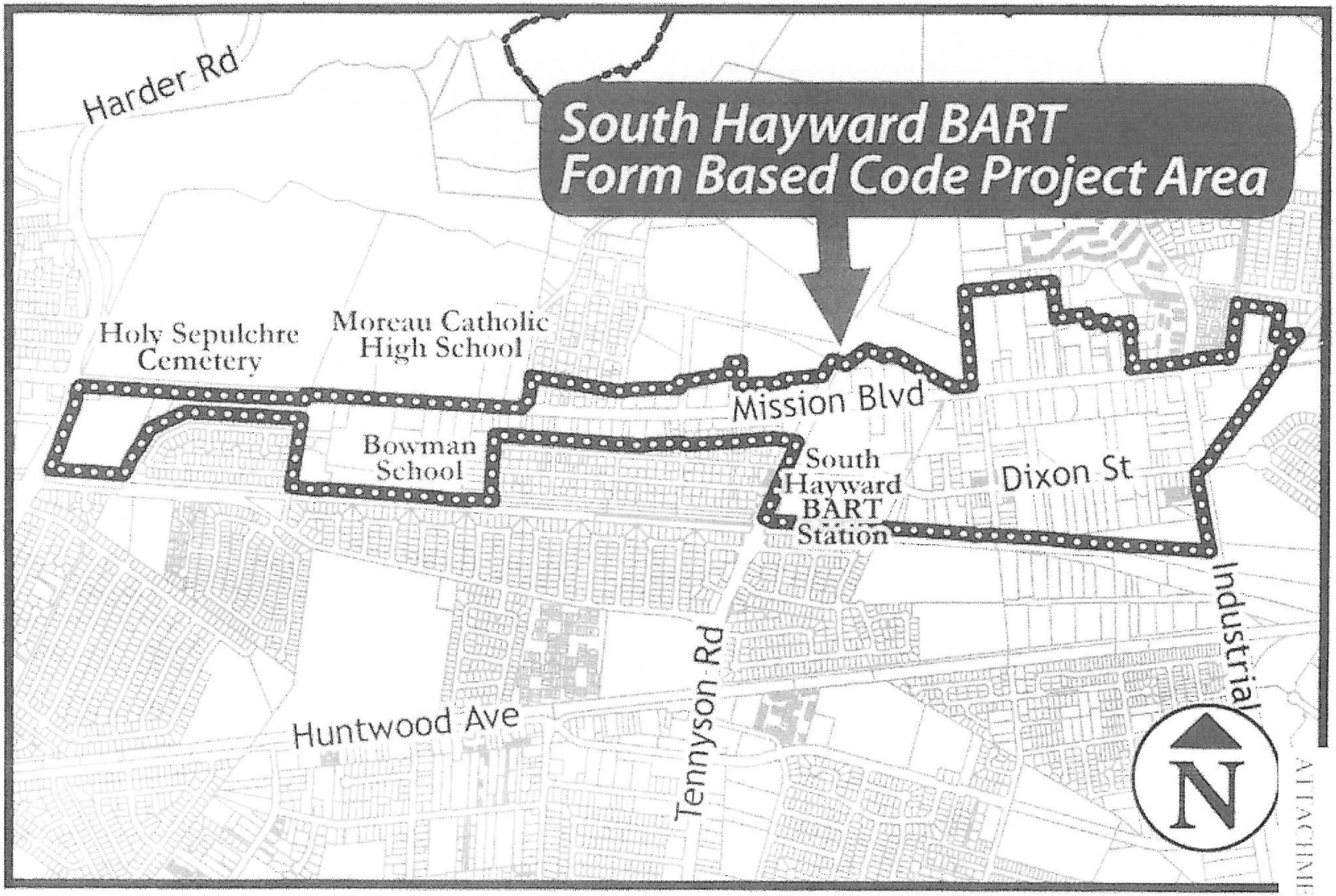


ATTACHMENT II

CITY OF
HAYWARD
HEART OF THE BAY

DATE: June 22, 2010

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Mission Boulevard Corridor Specific Plan

RECOMMENDATION

That Council reads and comments on this report.

SUMMARY

Prior to proceeding with environmental analysis on the Mission Boulevard Corridor Specific Plan/Form-Based Code, staff is requesting input from Council on the draft Regulating Plan. The Regulating Plan is a map in the Form-Based Code that will identify the transect zone for properties within the Specific Plan area. A draft Regulating Plan (Attachment I) was prepared during a week-long public design charrette held in April. However, there remain opportunities for improvement and refinement, as well as clarification of the City's vision for the Plan area. Several variables, each associated with modifications to the charrette Regulating Plan, are presented in this report, as reflected in Attachment II.

Staff seeks input from the Council on these modifications in order to define the Regulating Plan that will be analyzed as part of the Form-Based Code. Additionally, the California Environmental Quality Act (CEQA) requires that alternatives to a project be considered in an Environmental Impact Report (EIR), which staff and consultants are preparing to develop. Staff will also use input from Council to develop alternatives that will be analyzed in the EIR. Finally, brief summaries of background reports on an economic strategy and existing utilities infrastructure are also presented in this report. Both reports provide information that will be expanded upon in the Specific Plan and EIR.

BACKGROUND

The City Council authorized the Mission Boulevard Corridor Specific Plan project, as well as a contract with a consultant team led by Hall Alminana, Inc. (Hall-Alminana) on November 17, 2009[1].

[1] http://www.hayward-ca.gov/citygov/meetings/cca/rp/2009/rp111709-02.pdf

Reflecting the importance of Mission Boulevard as a major corridor in Hayward, this project was reconfirmed by Council as a 2010 priority on February 16, 2010[2].

The South Hayward BART Form-Based Code, which is being developed, will address properties along the portion of Mission Boulevard between Harder Road and Industrial Boulevard. This project covers properties along the northern portion of the Mission Boulevard Corridor, from Harder Road to the northern City limit, with the exception of the Downtown. The project area comprises approximately 600 parcels on 240 acres and has a total length of approximately two miles.

During the months of February and March, 2010, Hall-Alminana reached out to approximately twenty-five individuals, agencies, and stakeholders to gather input on the preparation of a synoptic survey, visual preference survey, and regulating plan associated with a public design charrette. On March 23, 2010, staff presented Council with an overview of the project, including components of the Specific Plan and the project schedule. A similar presentation was made to the Planning Commission on March 25, 2010. A community meeting and kick-off to the week-long charrette was held on April 8, 2010 and the charrette was held April 12 through April 16, 2010, which concluded with a presentation of a draft regulating plan and conceptual architectural drawings. All of the above reports and presentations, as well as future reports, can be accessed on the project webpage[3].

DISCUSSION

Charrette Regulating Plan – The Regulating Plan developed and presented during the charrette is included as Attachment I. The T3 transect zone, which is primarily between Pinedale Court and Sycamore Avenue and also at the southeast corner of the project area, would allow densities equivalent to the Low-Density General Plan Land Use designation, or up to eight and seven tenths dwelling units per acre. T4 and T5 zones would allow densities equal to those currently proposed for the South Hayward BART Form-Based Code, which are up to thirty-five units and fifty-five units per acre respectively. The Plan also includes several new roads to improve circulation and walkability, and new parks/civic space zones at Dollar Street and Torrano Avenue as well as in the northern segment between Hotel Avenue and Simon Street.

Regarding the properties on the east side of Mission Boulevard north of Carlos Bee Boulevard, the frontage road or slip lane along Mission Boulevard, as well as the new road shown in the charrette Regulating Plan at the rear of those properties, would require taking approximately sixty feet of the adjacent property to the east that currently houses a storage facility. Staff will develop an alternate plan for this site that does not require a portion of the storage facility property. The other location within the Plan area where a slip lane is currently shown - south of Pinedale Court along the east side of Mission Boulevard - would not require taking of property other than those directly related to the envisioned future development(s).

Alternatives to the Proposed Regulating Plan – As with any public charrette process, there often is not consensus on a variety of issues. Staff has identified seven variables that should be considered as the draft Regulating Plan is finalized. Those seven variables and options for each are presented

[2] http://www.hayward-ca.gov/news/pdf/CM/CouncilPriorities.pdf
[3] http://www.hayward-ca.gov/forums/MBCSP/mbcspforum.shtm

in the following paragraphs and are reflected in an Alternative Regulating Plan, included as Attachment II.

Variable # 1 - Street Design for Mission Boulevard North of A Street – The design of Mission Boulevard in the southern segment of the project area has been defined by the Route 238 Corridor Improvement project, whose construction is scheduled to start this year. North of A Street, there is a plan to improve the streetscape of Mission Boulevard as soon as Route 238 Bypass Local Alternative Improvement Program (LATIP) funding for these improvements is available. Alternatives include:

1. Maintain the existing street and sidewalk configuration, but improve the area with new paving, lighting, undergrounding of utilities, and new street furniture.
2. Install a five-foot-wide landscape median, reduce parking lanes from eight feet to seven feet, and reduce the width of the sidewalks from ten feet to eight and a half feet. The median should start about one hundred feet north of A Street to address lane width needs at the A Street intersection.
3. Install a four-foot-wide landscape median, maintain the existing four travel lanes at eleven feet width each, reduce parking lanes from eight feet to seven feet, and reduce the sidewalks from ten feet to nine feet. The median should start about one hundred feet north of A Street to address lane width needs at the A Street intersection. Essentially, this option differs from option #2 by adding the reduced median width of one foot to sidewalk widths.
4. Install a three-foot-wide landscape median, reduce from four to two travel lanes, add diagonal parking, and maintain ten-foot wide sidewalks. This particular alternative would not be considered consistent with the recent proposal to obtain LATIP funding to improve this section of Mission Boulevard consistent with the remainder of the Route 238 Corridor Improvement Project.

Factors to be considered when evaluating the alternatives include:

- A landscaped median between A Street and Hotel Avenue may conflict with lane configurations at the corner of A and Mission, which are being constructed as part of the Route 238 Corridor Improvement Project. Staff believes starting any median 100 feet from the intersection would eliminate this conflict.
- The width of the landscaped median should be as wide as possible, to accommodate healthy and varied landscaping. The absolute minimum width for a median with trees is four foot.
- Maintaining the current ten-foot-wide sidewalks would allow for a more pedestrian-friendly environment and active storefronts.
- Further narrowing the travel lanes may result in fewer violations of the speed limit, which is twenty-five miles per hour, potentially resulting in a safer and friendlier environment for pedestrians, but may cause truck and bus impacts with trees in a median.
    - This portion of Mission Boulevard is designated as a truck route. According to the Texas Transportation Institute, and generally accepted by the American

Association of State Highway and Transportation Officials, truck route travel lanes should be twelve feet wide. However, speed limits are not taken into consideration when determining appropriate travel lane widths. Given that this portion of Mission Boulevard has a twenty-five mile per hour speed limit, narrower lanes already exist presently at an eleven foot width; however, further narrowing may be in conflict with having a median, nor is it supported by the Public Works Director.

- Diagonal parking was suggested during the charrette as a way to create a more pedestrian-friendly environment and to provide more parking in the area.
    - Current and anticipated traffic levels should be considered when evaluating the impacts of having fewer travel lanes.
    - Preliminary analysis by Public Works staff has indicated that reducing Mission Boulevard to two lanes would result in unacceptable traffic impacts and would affect traffic on the continuation of Mission Blvd in the County.
    - If traffic impacts associated with the two-lane configuration are significant and not mitigated, funding from the LATIP or from Alameda County Congestion Management Agency would likely not be available to improve this area.

Staff recommends that option #3 be designated the preferred alternative, because it allows for a landscaped median that can accommodate planting as well as travel lanes of sufficient width to be safe. Having nine-foot-wide sidewalks, while not optimum, would still allow for active building frontages while maintaining a proper path of travel for pedestrians.

Variable # 2 - Building Heights – On Mission Boulevard north of A Street, staff has preliminarily studied the topography of the area and considered the potential impacts that new buildings would have on the views currently enjoyed by residents of the Prospect Hill neighborhood. Alternatives include:

1. Maintain the T5 zone as shown on the Plan, with a maximum height limit of six stories.
2. Create an overlay zone to allow for higher density while limiting building heights.
3. Change the zone designation from T5 to T4.

Factors to be considered include:

- Buildings taller than three stories would likely block westerly views of residents to the east of Mission Boulevard in the Prospect Hill neighborhood.
- Maximum densities would not be achieved with limited building heights.
- Converting to a T4 zone would result in less intensive and less varied uses in close proximity to the Downtown.

Staff recommends the creation of an overlay zone in this portion of the T5 zone that would establish a minimum height of two stories and a maximum height of three stories. Doing so would allow the

neighborhood to contain the variety of uses typically found in a more urban T5 zone, while addressing the specific concern of impacts of taller buildings.

Variable # 3 - Open Space North of A Street – There are currently no parks in or near the project area north of A Street. As shown on the Environmental Constraints map (Attachment III), the Hayward earthquake fault trace runs through several parcels on the east side of Mission Boulevard, north of A Street. New habitable buildings and major renovations of existing buildings are not permitted within 50 feet of an active fault trace. A park ("Big Mike" Park) was designated with the Civic Space zone during the charrette for three parcels between Hotel Avenue and Simon Street. An alternative scenario would include extending the planned park further south from Big Mike Park to A Street by designating such area as the Civic Space zone.

Considerations include:

- Any buildings within the park would be non-habitable and limited to one story.
- Approximately three additional acres of open space could be added in a neighborhood currently deficient in park space.

Staff is recommending the expansion of the Civic Space zone, due to the fault trace and park space deficiency. Such change would allow the opportunity to create a park that would frame this entryway into the Downtown core. The recent historic resources survey prepared by the City found that this area includes structures with "medium" and "high" historical integrity. As discussed below, the EIR will include a more detailed evaluation of these structures. Also, it may be possible to creatively reuse/integrate "high" integrity structures as part of a park/civic space.

Variable # 4 - Zoning Designation Between Jackson Street and Fletcher Lane – The area between Jackson Street and Fletcher Lane is within a half-mile of the downtown BART station, which is generally considered a comfortable walking distance to a transit station. An alternative approach includes applying the T5 designation to the area on the west side of Mission Boulevard to allow higher residential density. Factors for consideration include:

- T5 density would match that currently allowed north of Jackson Street within the Downtown; however, Jackson Street may be considered a barrier that may discourage pedestrian activity.
- Area on the east side of Mission Boulevard is not considered for T5 due to the presence of an earthquake fault and the large block size, which would be inconsistent with T5 standards.

Staff recommends changing the designation for the area on the west side of Mission Boulevard between Jackson Street and Fletcher Lane to the T5 zone, in order to maximize density within walking distance of the Hayward BART station.

Variable # 5 - Open Space South of Jackson Street – The parcel at the southeast corner of Mission Boulevard and Jackson Street, which is currently developed with the St. Regis retirement home, is bisected by the active Hayward fault trace. New habitable buildings and major renovations

of existing buildings are not permitted within fifty feet of an active fault. An alternative to the T4 zone shown on the Charrette Regulating Plan is to designate the parcel as a Civic Space zone.

Considerations include:

- Approximately three and seven tenths acres of open space could be added.
- Memorial Park, which is approximately thirty-four acres, is less than one quarter mile away.
- This parcel at Mission Boulevard and Jackson Street is large enough to accommodate development, even with the fault trace limitations.

Staff recommends no change to the designation of this parcel, given its size and because Memorial Park is in close proximity.

Variable # 6 – Slip Lane on Mission Boulevard from Torrano Avenue to Harder Road – While the idea of creating slip lanes or frontage roads at different locations along Mission Boulevard was discussed during the charrette, a slip lane was not proposed for the portion between Torrano Avenue and Harder Road. However, given the depths of the parcels in this area and potential for attractive, larger retail developments, consideration should be given to designating a slip lane on the Regulating Plan, as is done between Sycamore Avenue and Pinedale Lane.

Factors to be considered include:

- Businesses fronting a slip lane would benefit from convenient access and parking.
- Parcels fronting a slip lane would have less developable land.
- Slip lane would create a more walkable, pedestrian-friendly streetscape.

Given the lot configuration of the parcels in this area, and potential for larger retail developments that would make a slip lane more feasible to implement and provide more active frontages, staff recommends that a slip lane be shown in the Regulating Plan for this area along Mission Boulevard

Variable # 7 - Zoning for Area Between Mission Boulevard, Harder Road, Torrano Avenue, and BART Tracks – Because the new thoroughfare shown on the charrette Regulating Plan cannot connect to Harder Road due to a grade separation, it has been rerouted. Also, the Special District (SD) zone that was shown on the Regulating Plan at the conclusion of the charrette served as a place holder until the most appropriate designation could be determined. While the areas to the north and east are designated as T4, this area will have larger block sizes and, given the existing uses along Dollar Street, light industrial uses not allowed in a typical T4 zone might be permitted in this area. Staff is seeking input from Council at this time to help determine the most appropriate zone for such area. Alternatives include:

1. Create a T4-2 zone that encourages residential development. This zone can also allow commercial and light industrial uses. Standards would be established to ensure compatibility between uses.
2. Create a T4-2 zone that favors commercial and light industrial development.

Considerations include:

- Lack of accessibility to public transit.
- Existing and former auto-related uses on the west side of Dollar Street.
- Larger block sizes.
- Existing uses and buildings may pose a challenge, especially as former dealership buildings become occupied with new commercial and cultural uses.

Staff recommends a T4-2 zone that allows for commercial and light industrial uses as well as some residential development.

Economic Strategy Report – A report titled *Mission Boulevard Market Analysis and Economic Development Strategy* has been prepared by AECOM Economics and is available on the project webpage[4]. Information from the report will be used in the development of the Specific Plan and Form-Based Code. As noted on page three of the report, and consistent with estimates by the Association of Bay Area Governments, Hayward can expect a city-wide demand for 9,000 new housing units over the next twenty years. If the Mission Boulevard Corridor can capture twelve to fifteen percent of that demand, then the housing demand for the project area would be 650 to 800 housing units.

As noted on page five of the report, AECOM estimates that the southern segment of the project area could accommodate approximately 100,000 square feet of new commercial building area assuming an economic recovery by 2013 to 2015. Recommended commercial uses for this first phase include an ethnic grocery store, a specialty grocery store (like Trader Joe's), a pub or sports bar, a full service dinner restaurant, and smaller restaurants and food stores such as ice cream, sandwiches, pizza, coffee, sushi, and other ethnic restaurants. A second phase of 50,000 to 60,000 additional square feet could be added five to six years after the initial phase.

The city's automobile sector is discussed in the report beginning on page ten. It notes the fairly recent loss of the Chevrolet, Ford, Dodge, and Mazda dealerships. While Toyota, Nissan, Honda, and Volkswagen appear to be doing well and are expected to stay, there is no expectation that any additional new car dealerships will locate on Mission Boulevard. When considering new commercial uses that should be targeted for the project area, additional automobile sales or services sector should not be expected to play a part. The Plan and Code would allow the existing dealerships to remain.

As presented during the March work sessions and the charrette kick-off, three opportunity sites for new commercial development have been identified in the project area. These include 1) the block bordered by Torrano Avenue, Mission Boulevard, Harder Road, and Dollar Street; 2) the parcels on the west side of Mission between Pinedale Court and Sycamore Avenue; and 3) the properties on the east side of Mission between Carlos Bee Boulevard and Palisade Street. The properties at the southeast corner of Mission and Carlos Bee Boulevard are also an opportunity site; however, the author of the economic strategy report does not see enough market demand for new commercial

[4] http://www.hayward-ca.gov/forums/MBCSP/pdf/2010/Mission_Blvd_Strategy_Report_052410.pdf

space to pursue the development of both corners at this time. These opportunity sites have been selected for their large percentage of vacant buildings and publicly-owned parcels. Conceptual designs for these opportunity sites were created during the charrette and potential developments on these sites will be considered in the environmental impact report.

Utility Infrastructure Report – A preliminary analysis of the existing utilities systems has been prepared by BKF Engineers, which identifies a capacity deficiency in the sanitary sewer systems within the project area. No deficiencies in the stormdrain and water systems are noted; however, the report does state that new development projects will need to be evaluated for impacts to the utility systems. As required under Government Code Section 65451, the Specific Plan will include a discussion of mitigation measures necessary to minimize the impacts of infrastructure deficiencies and provide a program of implementation measures necessary to carry development permitted by the Plan.

ENVIRONMENTAL REVIEW

Rather than prepare an Initial Study identifying probable environmental effects of the project, staff has instead chosen to prepare a Program Environmental Impact Report (EIR) addressing all environmental factors identified in the California Environmental Quality Act (CEQA) Guidelines Environmental Checklist. A program-level EIR will be prepared for the project and will examine at a general program level the potentially significant environmental effects of development that could occur as a result of the Specific Plan and Form-Based Code. The EIR will also consider impacts resulting from the development of key redevelopment sites identified in the Economic Strategy. The EIR will include a visual analysis showing the impacts of potential development within the Specific Plan area, a greenhouse gas emissions impact analysis per the latest state guidance, and a traffic impact analysis. The EIR will provide alternatives and/or mitigation measures to reduce or avoid significant impacts.

The Planning Commission work session on June 24 will also serve as a public scoping meeting for the EIR where specific issues to be addressed in the EIR may be identified by the public and Commissioners. Staff will also address in the EIR any environmental issues identified by Council members during the June 22 work session. Following are environmental issues that have been identified to date. These issues and others will be further analyzed in the EIR.

Biological Resources – The southern portion of the project area includes Memorial Park, including Ward Creek, which has been previously documented to contain riparian forests and potentially one special status species (i.e., California Red Legged Frog).

Issues:

- As Memorial Park is identified as Civic Space on the draft Regulating Plan, potentially significant impacts generated by the project are unlikely east of Mission Boulevard within and adjacent to the project area.

- Ward Creek crosses Mission Boulevard and continues on between Lilly Avenue and Pinedale Court. The biological value of this Ward Creek segment is unclear, and a biological assessment in the EIR will further analyze the value of Ward Creek.

Cultural Resources – The project area was included in a recent historic resource survey which documents numerous potentially historic structures of "moderate" and "high" integrity.

Issues:

- Proposed "Big Mike" Park includes surveyed structures of "medium" integrity.
- The possible expanded Civic Space zone presented in Variable #3 above includes structures of "medium" and two structures found to have "high" historic integrity, which is based upon the ages of the buildings and architectural integrity relative to the building's original construction. As mentioned above in the discussion of Variable # 3, these structures will be evaluated using criteria in the City's historic preservation ordinance, to help determine if they should be preserved and integrated into a future park/civic space.
- The charrette Regulating Plan depicts a slip lane requiring the removal of three surveyed structures of "medium" integrity.
- The Specific Plan could set up a process for CEQA evaluation of future development proposals at "historic" sites.
- As is currently proposed in the draft South Hayward BART Form-Based Code, the importance of retaining historic integrity can be prioritized over strict compliance with transect zone standards (e.g., provide for warrant (variance) approval when the intention is to avoid impacts and retain historic integrity).

Geology/Soils – The Hayward fault trace traverses much of project area. Fault rupture and fault creep are well-documented development constraints.

Issues:

- The Specific Plan will incorporate policy and regulation consistent with the requirements of the Alquist-Priolo Earthquake Fault Zoning Act (e.g., site-specific fault investigations, fifty-foot setback from active fault traces).
- The Form-Based Code will be calibrated to address building functions and particularly critical community facilities (e.g., schools, hospitals) in subject fault hazard areas.
- A geotechnical study will be included in the EIR and will provide additional recommendations.

Hydrology – The project area has two mapped flood zones. The first is contained in the County Flood Control District's Ward Creek "Line B" (east of BART tracks and south of Orchard Avenue) and the second is contained in the County's "Line E" (vicinity of Lilly Avenue). As shown on the Environmental Constraints map (Attachment III), these flood zones are rather linear and do not impact developed properties.

Issues:

- The Specific Plan will incorporate policy and regulation to address development proposals in or near flood zones.

- The infrastructure component of the Specific Plan may address flooding.

Noise – As documented in the Route 238 Bypass Land Use Study Draft EIR, noise levels along Mission Boulevard south of Jackson Street currently exceed acceptable levels. Acceptable noise levels are provided in Appendix N of the General Plan.

Issues:

- Incorporate and calibrate into the Specific Plan the provisions of General Plan, Appendix N (Noise Guidelines for Review of New Development).
- Consider noise level impacts and constraints when calibrating provisions for Building Disposition, Civic Spaces and Common Open Space standards in the Form-Based Code.

ECONOMIC IMPACT

As discussed earlier in the Economic Strategy Report section of this report, the Specific Plan will include recommendations for the development of new commercial properties and attracting new businesses in the project area. The Plan will also address possible financing opportunities for public safety services as well as infrastructure improvements. The Form-Based Code will help simplify the development review and approval processes, making development within the Code area more enticing for developers.

FISCAL IMPACT

The City's adopted budget for the Redevelopment Agency includes $400,000 for FY 2010 and $200,000 for the FY 2011 budget for the Mission Boulevard Corridor Specific Plan project. The contract with Hall-Alminana specifies a "not to exceed" amount of $540,000. A portion of the remaining $60,000 will be used to offset the General Fund impacts for mailing and publishing notices and other material costs. Approximately 1,400 hours of staff time is estimated for completion of the project at a cost of $150,000, which is an added in-kind cost.

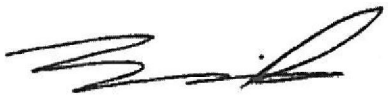
SCHEDULE & NEXT STEPS

Staff anticipates presenting the Planning Commission and City Council with a first draft of the Specific Plan and Form-Based Code in October 2010. A community workshop is scheduled for November 2010 to present the draft Plan. The draft EIR and a second draft of the Specific Plan will be presented in January 2011. The Final EIR and final Plan will be presented to the Planning Commission and City Council by July 2011.

Prepared by: Erik J. Pearson, AICP, Senior Planner

Recommended by: David Rizk, AICP, Development Services Director

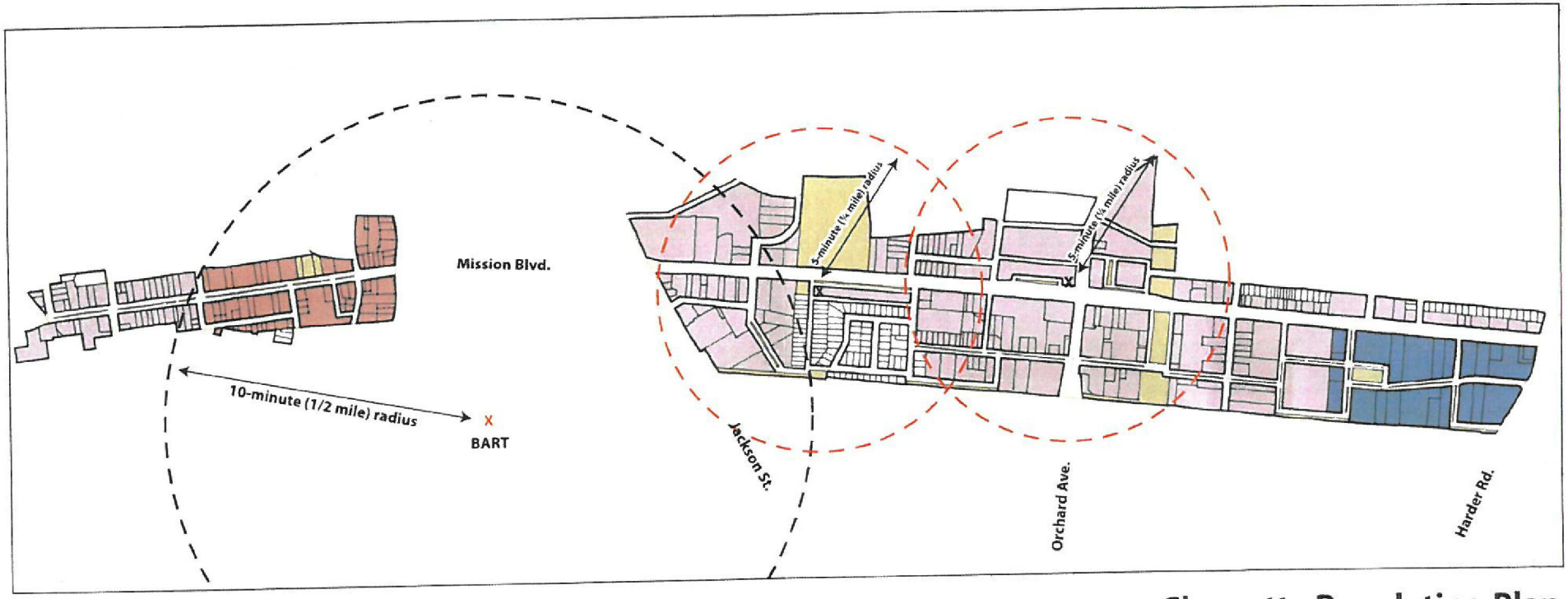
Approved by:



Fran David, City Manager

Attachments:

Attachment I	Charrette Regulating Plan
Attachment II	Alternative Regulating Plan
Attachment III	Environmental Constraints Map



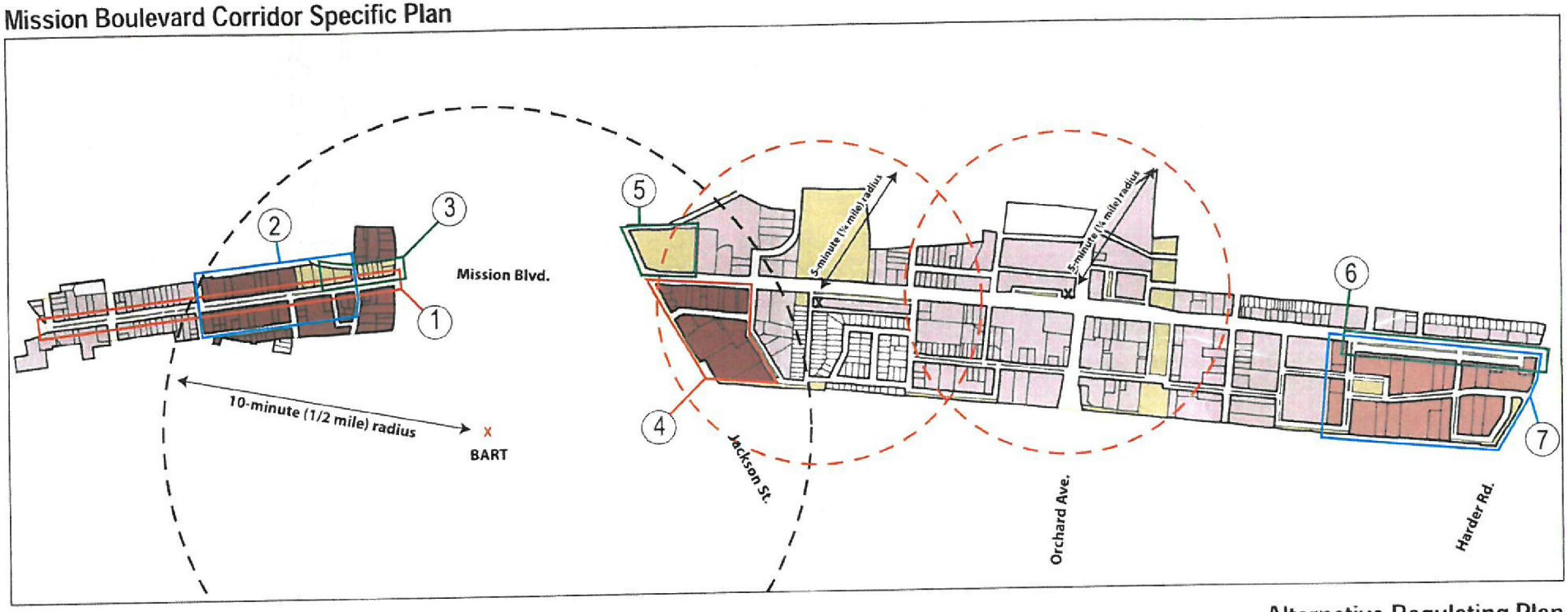
Charrette Regulating Plan

- T3
- T4
- T5
- SD
- Civic Space

10-minute walking radius (½ mile from BART)

5-minute walking radius (¼ mile)

Mission Boulevard Corridor Specific Plan



Alternative Regulating Plan

May 28, 2010

- T3
- T4-1
- T4-2
- T5
- Civic Space

10-minute walking radius (½ mile from BART)

5-minute walking radius (¼ mile)

Variables to Charrette Regulating Plan:

1. Design of Mission Boulevard north of A Street (landscaped median, etc.)
2. Reduce Maximum Building Height from 6 to 3 Stories
3. Designate Parcels on Mission between A Street and "Big Mike Park" as Civic Space
4. Designate area between Jackson, Mission, and Fletcher as T5
5. Designate Parcel at Southeast Corner of Mission and Jackson as Civic Space
6. Include Slip Lane on West side of Mission between Torrano and Harder
7. Change Zoning from SD to T4-2 and Change Location of New Thoroughfare

HALL ALMINANA
INCORPORATED

Environmental Constraints

1/4 Mile - A comfortable walking distance

Legend

- Project Area
- Parcels
- County/ City Boundary
- Fault Line Traces
- Alquist Priolo Fault Zone
- FEMA Flood Zone X (0.2 % annual chance flood hazard)
- FEMA Flood Zone AE (1% annual chance flood discharge contained in channel)
- Creeks
- Structure with Medium Historic Integrity
- Structure with High Historic Integrity

* Known as of May 28, 2010

CITY OF
HAYWARD
HEART OF THE BAY

DATE: July 14, 2010

TO: Hayward Redevelopment Area Committee (HRAC)

FROM: Redevelopment Director

SUBJECT: **Update on Cannery Place Development – Inclusionary Housing Amendments, and Hathaway Properties**

At the upcoming HRAC meeting, an update on both these properties will be provided to the Committee. Attached for your information and review is a report to City Council dated December 15, 2009, regarding amendments to the Cannery Place Inclusionary Housing Agreement, which were approved. In addition, staff has attached a very preliminary site plan for the affordable housing site at B & Grand.

Staff will also present preliminary plans that have recently been submitted by the owners of "Dream Courts", which have signed a lease for the industrial warehouse owned by AMB properties on Hathaway Street.

Attachment:

I. City Council Staff Report dated December 15, 2009: "Citation Homes / Integral Communities Amended Inclusionary Housing Agreements"

CITY OF
HAYWARD
HEART OF THE BAY

DATE: December 15, 2009

TO: City Council and Redevelopment Agency Board Members

FROM: Redevelopment Director

SUBJECT: Approval of the Terms for Amended Inclusionary Housing Agreements with Citation Homes Central and Integral Communities for Fulfillment of the Inclusionary Housing Ordinance Obligations for the Cannery Place Development

RECOMMENDATION

That the City Council adopts the attached resolution authorizing the City Manager to negotiate and execute two Inclusionary Housing Agreement Amendments with (1) Citation Homes Central (Citation) and (2) Integral Communities, Inc. (Integral) in fulfillment of the Inclusionary Housing Ordinance (the Ordinance) obligations in connection with the Cannery Place Development, as well as an Agreement with Citation, Integral, and Libitzky Holdings, containing covenants affecting real property; and

That the Redevelopment Agency Board adopts the attached resolution authorizing the Executive Director of the Redevelopment Agency to negotiate and execute a Purchase and Sale Agreement with Citation for the conveyance of property located at 581, 585, and 597 B Street (B & Grand Streets), in fulfillment of the Amended Inclusionary Housing Agreement with Citation

SUMMARY

The recommended actions will result in Inclusionary Housing Agreements in which the 94-unit affordable housing obligation for the Cannery Place development is fulfilled as follows:

1) Credits for all fifty-nine units of completed affordable housing at C & Grand Senior Housing Development are distributed, with 32 units total credited to the Citation-owned property, seventeen units credited to the tract owned by Integral, and ten units credited to the Libitzky property at C and Filbert;

2) Sixteen units of moderate-income affordable for-sale units will be built and sold within the Cannery Place development, including five units by Integral and eleven units by Citation;

3) Affordable Housing In-lieu fees for seven units of affordable housing will be paid by Integral ; and

4) Twenty-two units of affordable housing obligation will be satisfied with the conveyance of the property located at B & Grand to the Redevelopment Agency for one dollar ($1.00).

BACKGROUND

In December 2005, the City Council approved applications submitted by the Felson Companies and Citation for the development of 628 units located on the former Hunt/Wesson Cannery facility, North of Winton Avenue and west of Myrtle Street (Cannery Place Development). The following year, Citation purchased the Felson property and became responsible for the implementation of the entire project.

As part of the approval process, the project was required to satisfy the City's inclusionary housing requirement to set aside at least 15% of the units as affordable. Because of the Cannery's location within the Redevelopment Agency Project Area, the conditions of approval required Citation to set aside 6% (38) off-site units to very low-income households and 9% (57) on-site for-sale units to moderate-income households. At the end of May of 2007, the City and Citation entered into an Inclusionary Housing Agreement (IHA) in order to memorialize Citation's obligation to produce the very low and moderate-income units.

In 2007, Citation transferred a portion of the Cannery Place project, Tract 7613, to Meritage Homes. Subsequently, the national housing crisis developed, and as a result, Meritage abandoned the project, and the land reverted to its lender, Weyerhauser Realty Investors (WRI). In the meantime, Citation satisfied its obligation to produce very-low income units by providing a cash subsidy and land for the development of fifty-nine units of affordable rental housing for seniors (plus one manager's unit) at the C & Grand apartment complex developed by Eden Housing, Inc. (Eden). This development was completed in the summer of 2008.

In September 2008, the City Council approved an amendment to the Cannery Place Inclusionary Housing Agreement. The amendment was intended to address some of the challenges facing the project, particularly the provision of on-site, "re-sale restricted' units that could be successfully sold to moderate-income buyers in a falling housing market. Due to the economic and market conditions, Citation felt that it would be more cost-effective to pay Affordable Housing in-lieu fees, and to donate additional land to the City/Redevelopment Agency that Citation had purchased at the corner of B & Grand Streets in order to provide for an additional phase of the Senior Housing at C & Grand. The Inclusionary Housing Agreement amendment provided for cash payments from Citation as well as from WRI, in the total amount of $2,035,200, plus the land at B & Grand Streets. This amendment was never implemented. Citation came back shortly after its approval to re-negotiate agreement terms due to the worsening housing and credit markets.

DISCUSSION

Since September 2008, the Cannery Place project has evolved as follows: WRI has sold Tract 7613 to a new investor, Integral Communities, Inc. (Integral). Integral has received City approval for a new site plan that increases the unit count in its tract, from 171 to 191 housing units. Integral

wishes to enter into its own separate Inclusionary Housing Agreement with the City in order to facilitate the development of its tract. Citation previously reconsidered its development plans and obtained approvals to reduce its unit count from 457 units under the original site plan to 404. Citation recently submitted an application to modify its site plan again, which would result in 432 units total for its tracts. The plans are currently with staff for an administrative review. It should also be noted that Citation has completed and is leasing sixteen duet units, and is under construction on twenty-eight townhomes at the north end of its site. These units are included within Citation's 432-unit total.

If these plans are approved, the total unit count for Cannery Place would be reduced from 628 to 623 units, and the overall 15% Inclusionary Housing requirement would therefore be reduced from ninety-five units to ninety-four units. Integral's portion of the affordable housing requirement is twenty-nine units, and Citation's new requirement will be reduced from sixty-nine to sixty-five units.

In its discussions with staff, Citation has requested consideration for the entire fifty-nine units of affordable housing that were actually produced at the C & Grand senior housing development, rather than the thirty-eight units of low-income housing that were considered as part of the original Inclusionary Agreement. At Citation's request, the "credit" for the entire group of affordable units is proposed to be distributed as follows: Thirty-two units credited to the Citation property, seventeen units credited to the Integral property, and ten units credited to the property owned by Libitzky Holdings at the north end of the Cannery site. This distribution of affordable housing credits for the C & Grand housing development is proposed to be memorialized in an agreement between the City, Citation, Libitzky, and Integral, in which covenants for these credits will run with the land.

For the remainder of its obligation, Citation now proposes to build eleven moderate-income affordable units on its property, and to donate the B & Grand property. Previously, the B & Grand site was given credit for twenty-five units of affordable housing. Given that the value of residential land has declined, that the site has not been entitled for residential use, and that Citation has a remaining requirement of twenty-two units if their new site plan is approved, staff is now proposing that a twenty-two-unit affordable housing credit be assigned to that property.

Citation is currently seeking final environmental clearance from the Regional Water Quality Control Board for the B & Grand property. The property has been previously characterized, and some contaminated soil has been removed. Staff has reviewed the environmental documentation for the site, it appears reasonable to expect clearance by the Water Board in the near future. In the event that the Water Board does not clear this site for residential development within six months, Citation could be required to either provide twenty-two additional affordable units within the Cannery Place development, or pay the equivalent of twenty-two units of in-lieu fees. The City could also – at its option – choose to extend the time period to clear the property, or take title to the B & Grand property without such environmental clearance. In the event that the site is discovered to have significant environmental complications during this time, staff would return to the City Council to consider the options.

As noted above, Citation's proposal hinges upon an administrative approval of a new site plan, which calls for 432 units. In the event that this site plan is not approved, staff is requesting the authority to negotiate minor adjustments to the number of on-site units or the optional payment of fees in accordance with the Inclusionary Housing Ordinance.

For the remainder of Integral's remaining obligation, the property owner proposes to pay an "in lieu" affordable housing fee for seven units, and to provide five units of moderate-income affordable units on-site. Integral's in-lieu fee obligation would be subject to modification as the Affordable Housing In-lieu fee may be modified (see below). Under the current fee of $80,000 per affordable unit, the total amount collected from Integral would be $560,000. The fees would be deposited into an Affordable Housing Trust fund, as contemplated under the Inclusionary Housing Ordinance.

The following chart compares the Inclusionary Housing obligation under the original Agreement with the current proposed for each development:

CANNERY PLACE INCLUSIONARY HOUSING OBLIGATION

	Approved 2007 Cannery Place	Proposed 2009 Citation	Proposed 2009 Integral	Proposed 2009 Total
Units in Development	628	432	191	623
15% IHO Obligation	95	65	29	94
C & Grand IHO Credit	38	32	17	49*
On-site Affordable Units	57	11	5	16
B & Grand Land IHO Credit		22		22
In-Lieu Fee Payment - Units			7	7
Total IHO Units	95	65	29	94

*There are actually 59 total affordable units at the C & Grand senior development. Ten units of additional affordable housing credit will be assigned to the Libitzky property

The affordable housing requirements outlined above will be contained in Inclusionary Housing Agreement Amendments, one each for Citation and Integral. Thus, the original Inclusionary Housing Agreement adopted in 2007 is effectively being "split" between the two parties.

With respect to the Affordable Housing In-lieu fees, the Inclusionary Housing Ordinance currently provides that they are allowed by request, and at the City Council's discretion. To date, no fees have actually been collected under the Inclusionary Housing Ordinance. Last summer, the City Council expressed an interest in exploring ways to provide developer relief during this period of

economic downturn. As a result, on December 1, 2009 the City/Agency approved a professional services contract to undertake an Affordable Housing In-lieu Fee study, which will determine a current In Lieu fee amount that is justifiable. At the end of the study, staff will return to the City Council with proposed modifications to the In-lieu fee, as well as proposed modifications to the Inclusionary Housing Ordinance, including any temporary developer relief measures. In the event that reduced fee amounts are approved, they would apply to both the Integral and Citation Inclusionary Housing Agreement. The Integral Agreement would also allow the fees to be paid at the time certificates of occupancy are issued for the inclusionary units. In contrast, Citation's Agreement provides for fee payment as an optional contingency measure if the B & Grand property cannot be donated, but would require such fees to be paid after a certain number of building permits are issued.

ECONOMIC IMPACT

The proposed modifications to the Inclusionary Housing Agreement(s) for Cannery Place are the result of declines in demand as well as pricing in the regional housing market over the past two years (see the "background" section of this report). The proposed modifications also result from a small reduction of the overall number of units proposed for development, as well as the higher actual number of affordable housing units that were produced off-site at the C & Grand Senior housing development, and the prospect of additional senior housing at B & Grand. In effect, the number of moderate-income affordable units produced on-site would be reduced by forty-one units, but the total number low-income affordable senior units off-site would increase by up to forty-three units.

The proposed modifications are expected to help the Cannery Place development to move forward in these difficult times. The fiscal benefits of the Cannery Place development as a whole are significant to the City of Hayward, and to the Redevelopment Agency, and are outlined below. In addition, the Cannery development will create construction jobs in the community, and will help to revitalize the former Cannery area, add to the downtown retail customer base, and benefit the Bay Area region generally by providing compact, transit-oriented housing.

FISCAL IMPACT

The proposed amendments will result in fewer affordable units contained within the Cannery Place development. The City will gain In-Lieu housing fees currently estimated at $80,000 per unit, or $560,000 in total, and the Agency will acquire a property that may be used to build future affordable housing. The B & Grand property will need to be entitled, and the ultimate additional costs to develop affordable housing on that site are not known at this time.

The proposed Inclusionary Housing Agreement amendments will help facilitate development of Cannery Place. The build-out of this development is expected to take place over at least five years, and possibly longer depending on the economy. At build-out, the addition of 623 units of housing will add property tax increment to the Agency roughly estimated at $1.5 million per year. The park and school fees that are generated from the development are also pledged to repay the Agency's cost of expanding and improving Cannery Park and the new Burbank School. Estimates on the total amount of fee payments at build out, are roughly $4.9 million in park fees, and roughly $4 million

in school fees. Finally, a Community Facilities District has already been formed for the Cannery Place development, and this district will generate approximately $465 per unit, or approximately $289,700 per year to help support police services in the area.

PUBLIC CONTACT

The Cannery Place Inclusionary Housing Agreement was first approved on December 13, 2005, and was approved for amendment on September 23, 2008. The Cannery Place development has been the subject of extensive public review during the past several years. No public meetings have been held regarding the current proposed amendments.

NEXT STEPS

If the proposed Inclusionary Housing Agreement amendments are approved, staff will prepare final documents for execution by the City Manager, Citation Homes, Integral Communities, and Libitzky Holdings. The City will set up an Affordable Housing Trust fund to receive the Affordable Housing In-lieu fees, and the Agency will take title to the property at B & Grand as soon as environmental clearance in the form of a "No Further Action" letter is received from the Regional Water Board.

Prepared by: Maret Bartlett, Redevelopment Director

Recommended by: Fran David, Assistant City Manager

Approved by:

Gregory T. Jones, City Manager

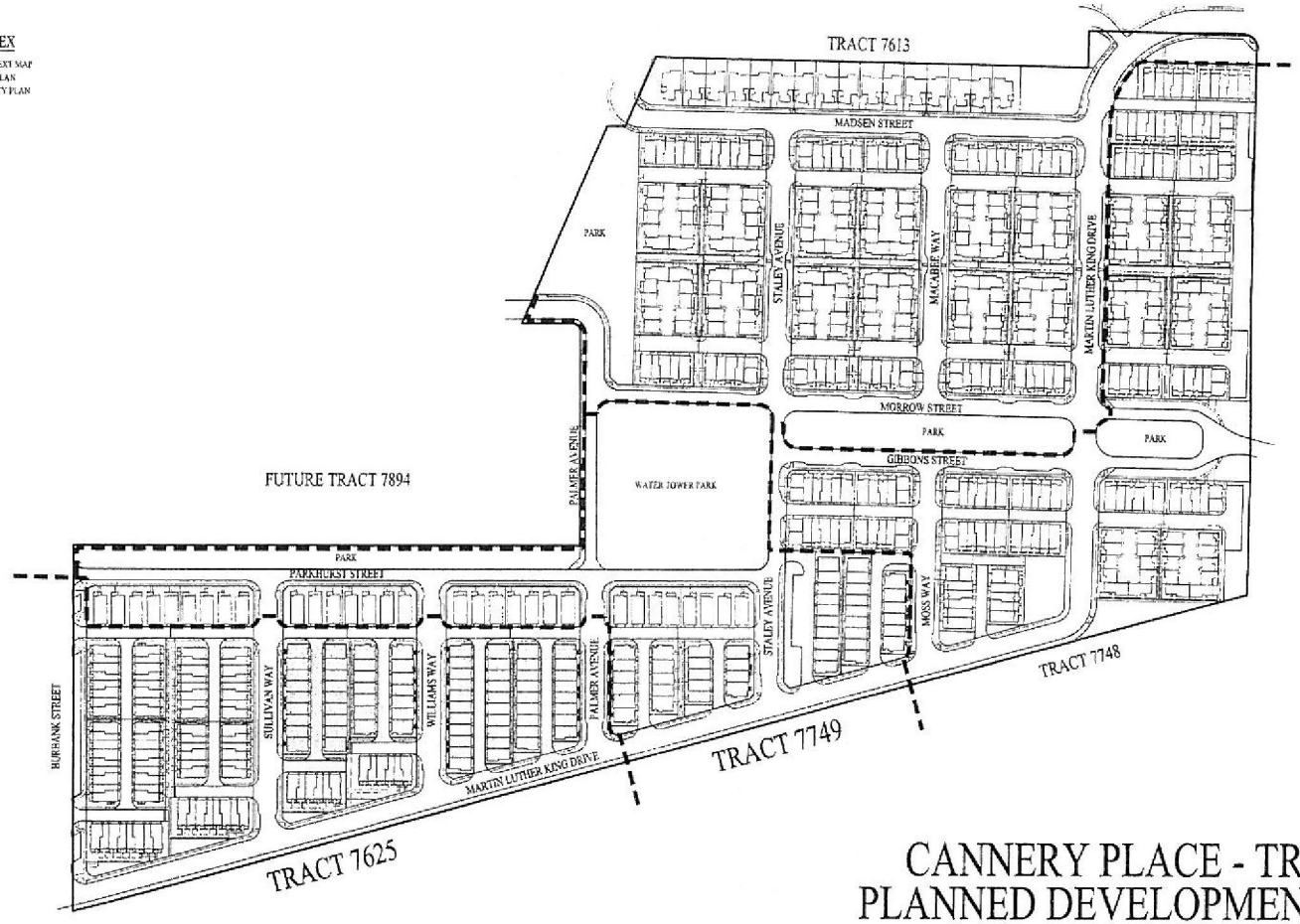
Attachments:

Attachment I – Resolution – Authorizing Inclusionary Housing Agreement Amendments with Citation Homes Central (Citation) and Integral Communities, Inc. (Integral), and a Covenant Agreement with Citation, Integral and Libitzky Holdings - Cannery Place

Attachment II – Redevelopment Resolution – Authorizing Purchase and Sale Agreement with Citation Homes Central (Citation) for property located at 581,585 and 597 B Street (B & Grand Streets), in fulfillment of the Amended Inclusionary Housing Agreement with Citation Homes – Cannery Place.

SHEET INDEX

C-1	CONTEXT MAP
C-2 - C-3	SITE PLAN
C-4 - C-5	UTILITY PLAN



CANNERY PLACE - TRACTS 7625/7749
PLANNED DEVELOPMENT MODIFICATION

COVER SHEET

CITY OF HAYWARD ALAMEDA COUNTY CALIFORNIA

0' 100' 300' 400'

SCALE 1" = 100' DATE: NOVEMBER 19, 2009

cbg Carlson, Barbee & Gibson, Inc
CIVIL ENGINEERS • SURVEYORS • PLANNERS

Inclusionary Housing Ordinance
Cannery Place – Part One
C & Grand Senior Housing (off-site)
Eden Housing, Inc.

Inclusionary Housing Ordinance
Cannery Place – Part One
C & Grand Senior Housing (off-site)

Inclusionary Housing Ordinance
Cannery Place – Part One
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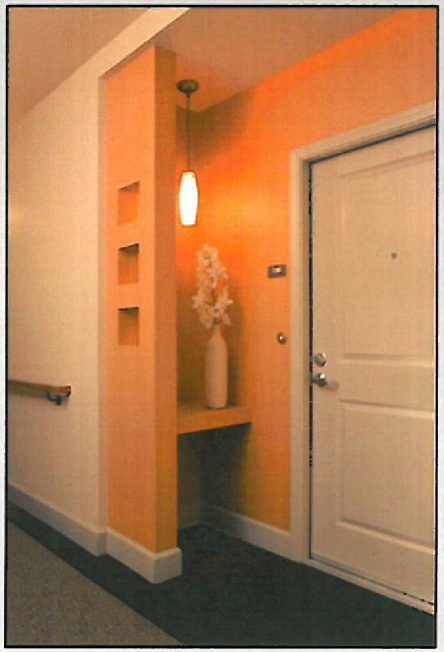
Eden Housing, Inc.



CONCEPTUAL B STREET ELEVATION

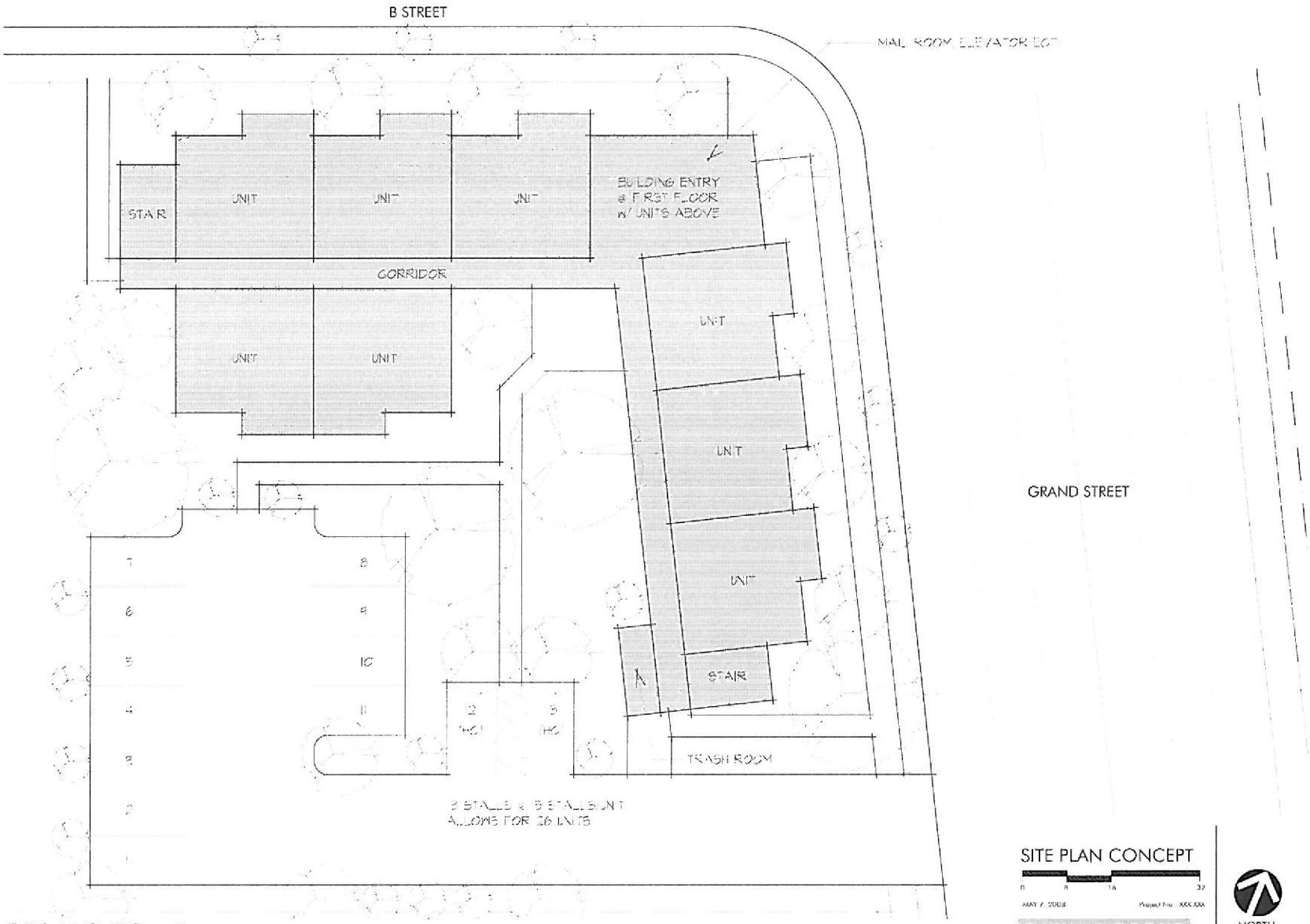
ELEVATION
SEPTEMBER 19, 2008

DAHLIN GROUP
ARCHITECTURE
PLANNING

HAYWARD SENIORS v2

HAYWARD, CALIFORNIA

EDEN HOUSING



SITE PLAN CONCEPT

0 8 16 32

MAY 7, 2008

Project No. XXX.XXX

DAHLIN GROUP
ARCHITECTURE
PLANNING

5865 Owens Drive
Pleasanton, CA 94588
925.251.7200
925.251.7201 fax

NORTH

HAYWARD SENIORS v2

HAYWARD, CALIFORNIA

EDEN HOUSING

CITY OF
HAYWARD
HEART OF THE BAY

DATE: July 14, 2010

TO: Hayward Redevelopment Area Committee (HRAC)

FROM: Redevelopment Director

SUBJECT: **Consolidation of Committees**

RECOMMENDATION

It is recommended that the HRAC members review the attached reports, and adopt a recommending motion if the HRAC so chooses.

DISCUSSION

During its January 12, 2010 meeting, the HRAC reviewed the purpose and role of the Committee, as well as options for restructuring the Committee going forward. A consensus of the Committee members present expressed a willingness to consider combining the HRAC with the Economic Development Committee (EDC). A conceptual proposal to consider consolidation of several committees has taken shape over the past few months. The matter was brought before the EDC at its June 7, 2010, meeting (see attached staff report). The report outlines the purpose and structures of the EDC and the HRAC, as well as two other standing committees - the City Council Commercial Center Improvement Committee (CCCIC) and the Council Downtown Committee (CDC). The report also recommended various alternatives for combining all or some of these committees. The EDC voted unanimously to combine all four of these committees as suggested in Alternative A of the report. The EDC also recommended presenting the item to the HRAC for input prior to taking a final recommendation to the City Council.

The matter of committee consolidation was also briefly discussed by the Council Downtown Committee on June 26, 2010 and was reviewed and discussed by the City Council in a work session on June 29, 2010 (see attached report). At the time of the City Council work session, there were questions regarding the procedure to de-commission the HRAC, since it was formed as a Project Area Committee (PAC) under state redevelopment law. The members of The City Council requested clarification on this issue before making any decisions. Since the work session, staff has confirmed that the HRAC's statutory role as a PAC was fulfilled during the three-year period following the last redevelopment plan amendment in 2001, and that the HRAC may be de-commissioned by the City Council by resolution. Former members of the HRAC may then be appointed to a new committee by the City Council/Agency Board.

The HRAC need not be limited to considering the consolidation alternatives presented in the attached reports. One alternative recommendation that the HRAC may wish to consider would be for the City Council/Agency Board to de-commission the HRAC (eliminate its PAC status), and then appoint members to a new Hayward Redevelopment Advisory Committee, which serves four year terms, and is organized similarly to other Hayward citizen advisory committees. Another alternative would be for the City Council to extend the HRAC as a constituted Project Area Committee on an annual basis.

Recommendations from both the HRAC and EDC will be presented to the City Council who will make the final decision as to, if and how, the committees are consolidated and how the membership will be structured.

Attachments:

I. EDC Committee Staff Report dated June 7, 2010: "Proposed Committee Consolidation"
II. City Council Staff Report dated June 29, 2010: "Consolidation of Council Committees"

CITY OF
HAYWARD
HEART OF THE BAY

DATE: June 7, 2010

TO: EDC Committee

FROM: Sean Brooks
Economic Development Manager

SUBJECT: **Proposed Committee Consolidation**

RECOMMENDATION

That the Economic Development Committee ("EDC") reviews this report and discussion consolidating various committees with the EDC.

BACKGROUND

The EDC has expressed a desire to have a more meaningful role in the City's economic development efforts and committee consolidation could be a means to assist in accomplishing that goal.

Historically, the Economic Development Committee is tasked with advising City Council about the economic climate of the City and ways to improve local business and employment opportunities. Current activities include the following programs: Business Expansion and Retention, Small Business Revolving Loan Fund, and Business Attraction. The Committee is guided by long-range objectives established by Council.

There are several Council standing committees as well as boards, commissions, and committees that have similar objectives, such as the City Council Commercial Center Improvement Committee ("CCCCIC"), the Council Downtown Committee ("CDC"), and the Hayward Redevelopment Area Committee ("HRAC"). Below is a brief snapshot of those particular committees and the attachments describe each committee and its membership in more detail.

CCCCIC – This committee, which is comprised of three Council members, reviews specified commercial development projects with the primary purpose of suggesting architectural, landscaping and site improvements to ensure that new projects and the renovation of existing shopping centers are of high quality. These projects include:

- Proposed significant alterations or additions to existing shopping centers
- New shopping centers
- Commercial retail projects
- Drive-through restaurants

CDC – This Council committee, which is comprised of three Council members reviews the current Downtown development activity and provides insights on ongoing Downtown projects.

HRAC – This eight person non-Council committee serves as a Project Area Committee under California Redevelopment Law. The purpose of the HRAC is to provide advice and guidance to the Redevelopment Agency on matters relating to the redevelopment of the Downtown Hayward Redevelopment Project Area.

DISCUSSION

There are some synergies between the committees noted above. In the current structure, at times the same or similar discussion items are covered at the respective, individual committee meetings. In other instances, such as the CCCCIC, meetings are canceled on a regular basis due to lack of topics or projects to be considered. Rather than duplicating efforts of staff and key stakeholders, and to provide more meaningful meetings on discussion topics, an opportunity could exist to consolidate various committees.

Within this scope of consideration, there are committees that are Council committees, such as the CCCCIC and the CDC, which are solely comprised of three Council members. There are two Council members who will be retiring from their respective posts and so consolidation could be fitting for Council responsibilities as well.

Additionally, there are several members on various committees who have been serving for some time and consolidation could allow those to take advantage of the attrition opportunities.

Below are three potential alternatives for consideration:

Alternative A

- 3 City Council Members
- 3 EDC Members
- 3 HRAC Members
- 3 CCCCIC Members (propose same 3 Council Members mentioned above)
- 3 CDC Members (propose same 3 Council Members mentioned above)

Total = 9 Members

The combined committee would take into account all aspects of the four separate committees under one umbrella. If there is a strong aversion to only nine members on the committee, in the inaugural year, FY 2011, all of the eight current EDC members (3 Council, 5 non-Council), and all of the eight HRAC members (all non-Council) could remain on board and gradually decrease through attrition over the next few years.

Under this format, the Economic Development Committee would become a Council Committee and the Mayor would select a Council member chair or could choose to chair the newly formed committee at inception.

Alternative B
The newly consolidated EDC could also take on the form of just combining the CCCCIC and the CDC, and not HRAC due to HRAC being a redevelopment project area specific committee, while the others are Council Committees. The potential committee could take the suggested form:

- 3 City Council Members
- 6 EDC Members
- 3 CCCCIC Members (propose same 3 Council Members mentioned above)
- 3 CDC Members (propose same 3 Council Members mentioned above)

Total = 9 members

As alluded to in Alternative B, under this format, the EDC would also become a Council Committee and the Mayor would select a Council member chair.

Alternative C
The newly consolidated EDC could just combine the CCCCIC underneath its realm, since the CCCCIC only meets to discuss design issues on proposed development projects. Under this scenario, the CDC and HRAC could be combined under one umbrella or still remain in their independent form.

- 3 City Council Members
- 6 EDC Members
- 3 CCCCIC Members (propose same 3 Council Members mentioned above)

Total = 9 members

As alluded to in Alternatives A & B, the EDC would also become a Council Committee and the Mayor would select a Council member chair.

Other options
There are several additional options and scenarios that can be reviewed or looked at based on input from the EDC members, however, these scenarios above appear to be the most fitting to consider at this time.

SCHEDULE (or NEXT STEPS)

After discussion, the EDC could present a recommendation to City Council for consideration to consolidate committees that seem to be a natural fit for FY 2011 or at a later date.

Prepared by:

Sean Brooks

Sean Brooks, Economic Development Manager

EDC Committee Consolidation
June 7, 2010

CITY OF
HAYWARD
HEART OF THE BAY

16

DATE: June 29, 2010

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Consolidation of Council Committees

RECOMMENDATION

That Council reviews this report and approves moving forward on the implementation of Council Standing and other committee consolidation.

BACKGROUND

Over the last few years, the City has been taking steps to improve efficiency of staff and make effective use of limited resources. As part of this move to better utilize resources and strengthen the role of Council Committees, staff has reviewed the roles and responsibilities of various Council committees and advisory groups.

As a result of that review, staff is proposing that Council consider the consolidation of the City Council Commercial Center Improvement Committee (CCCCIC), the Council Downtown Committee (CDC), the Economic Development Committee (EDC), and the Hayward Redevelopment Area Committee (HRAC). With the exception of the HRAC, each of these committees was formed and operates at the pleasure of Mayor and Council. The role and functions of HRAC are defined under Redevelopment law.

DISCUSSION

Staff is suggesting consolidation of the identified committees because (1) of their overlapping areas or similarity of responsibility (See Attachment I: "Areas of Responsibility"); (2) often Committees struggle to find agenda items for their meetings[1]; (3) even when meeting regularly, the purpose of their meetings and/or the value of their recommendations to staff and Council is vague; and (4) staff often finds that even though staffing assignments are spread out among the Committees, the same

[1] *As an example, the CCCCIC has had an intermittent meeting history. Six of its twelve scheduled meetings were cancelled in 2008; all twelve were cancelled in 2009 (i.e., it did not meet at all); and six of the scheduled six meetings for 2010 thus far have also been or will be cancelled.*

staff is often required at the Committees they don't formally staff because of the subject matter under discussion.(See Attachment I: "Staffing Responsibilities".)

In addition, the cost of staffing each meeting of the separate committees can get quite high, and in the interest of improved resource utilization, it seems prudent to maximize the time both staff and Committee members devote to these meetings. Combining Committees

Finally, some of the community Committee members have expressed concern that their purpose as members of their Committees is vague, believe they are not dealing with substantial issues in their various Committees, and have expressed a sense of being disconnected from Council and other committees. Frustration has also been expressed by members related to not having any formal mechanism for recommendations they do make to reach Council in a complete and timely manner, or even being certain they have the responsibility or access to make recommendations to Council.

Similarities

These particular Committees were chosen for suggested consolidation because of their overlapping areas of responsibility, all of which fit comfortably under the title of "Economic Development" or similar title. (See Attachment I: "Areas of Responsibility"). All the Committees have some form of responsibility in the area of business advocacy, commercial/retail development, appearance of the business areas of the city, business-generated or related revenue for the City or the Agency, or related matters.

The CCCCIC and EDC are citywide. However, the CCCCIC focuses on commercial center areas, which, when in development or renovation, are generally of interest to the EDC; and, depending on geographical location, to one or the other of the remaining two Committees. The HRAC is specific to the Redevelopment Agency and the Downtown Redevelopment Project Area, including its subareas of Cannery-Burbank and Mission-Foothill. The CDC focuses on Downtown. The CDC and the HRAC often have overlapping interests.

The CDC and the EDC have topics or interests they share with the Chamber of Commerce: Summer Street Parties, Summer Concerts/Movies, Light Up the Season, and other ways to attract people to Downtown Hayward. The HRAC is also interested in these events because RDA money frequently helps to fund them.

Differences

Membership – Membership differs a bit among the Committees. The two standing committees of the Council (CDC and CCCCCIC) are made up solely of Council Members. The EDC is composed of a mixture of Council Members and community members, and the HRAC is composed entirely of community members. EDC community appointments are from those that live in or "do business in" the City of Hayward. HRAC appointments must be from the Redevelopment Area and represent specific interest such as residential tenant, business owner, commercial property owner, and community agencies. (See Attachment I: "Membership Qualifications".)

The CDC and the CCCCIC have had full membership throughout their existence. The EDC is currently one community member short. The HRAC has consistently been operating with less than full appointment with only about 4-6 members out of the specified seventeen participating on a regular basis.

Founding Authority – The CDC, CCCCIC, and the EDC were formed by Council action. The HRAC, while also formed by Council action, is a requirement of state law for the Redevelopment Agency. State law requires that if a proposed redevelopment area permits the use of eminent domain to acquire properties, or contains a public project that will displace a substantial number of low or moderate-income persons, the City Council must provide for the election of a project area committee (PAC) to serve as a focal point for community participation. The election takes place among the property owners, residents, and businesses within the project area. The PAC must remain constituted for a period of three years following adoption of - or major amendment adding territory to - the redevelopment project area. Thereafter, the PAC is subject to annual extensions by the City Council. The Downtown Hayward Redevelopment Project Area was most recently amended to add territory in 2001. The CDC, CCCCIC, and EDC all have Council participation. The HRAC has no Council Members assigned to it as members or liaisons.

Member Appointment – The Mayor generally appoints to the CDC and the CCCCIC. The Mayor also appoints to the EDC as far as Council members, but the Council as a whole appoints the community members through the recruitment and interview process managed by the City Clerk. The HRAC members are appointed by the HRAC itself. Members of the CDC and CCCCIC may change annually as determined by the Mayor. EDC members have specified term limits as defined in their By-laws. HRAC members have no defined term limits and some current members have been on since 1998.

Officers – The Mayor determines/confirms the Chairs of the CDC and the CCCCIC, both of which are obviously Council Members. The EDC elects its Chair, who can be any member in good standing of the committee. The HRAC also elects its own officers.

Governing Documents – The CDC and CCCCIC operate according to the general rules established for the Council and its standing committees. The EDC and the HRAC have actual separate By-laws by which they operate. In the case of the EDC, those By-laws are very old, are outdated, and the EDC does not necessarily follow all of their tenets.

Clearly, a well constituted Council Economic Development Committee could play a strong role in advising Council and staff on the full range of economic, housing, and redevelopment factors in the City. One consideration that will take some thought to iron out is how to meet the intent of the Redevelopment law to best assure that the new CEDC addresses the HRAC/redevelopment project area citizen representation.

There is concern among staff that Redevelopment law may prohibit merging other committees with project area committees (i.e., the HRAC.) It is thought, under redevelopment law, that the HRAC is defined as self-governing once it is established. Currently, the HRAC membership is set at

seventeen by their existing by-laws, and it is within the sole jurisdiction of the HRAC to declare vacancies, remove members, appoint successors, and amend the by-laws.

Redevelopment law only requires that the project area committee remain in existence for three years after plan adoption. There is a possibility that the HRAC (the project area committee) could now be decommissioned by the Council and reformed/reappointed by Council. Staff is continuing to investigate these issues and to sort them out.

There are many possible ways to consolidate and combine these Committees. Using the Council Sustainability Committee (CSC) as a model might guide Council in its discussions. In the case of the CSC, it is a Council Standing Committee, and as such follows the standard operating procedures without separate by-laws. It is chaired by the Mayor and is composed of a mixture of Council Members, Planning Commission members, and a representative of the Keep Hayward Clean and Green Task Force. The CSC is staffed by the Development Services Department with strong support from Public Works, and is attended by the City Manager or Assistant City Manager.

Consolidation Alternatives

Attachment II identifies three possible alternatives for combining and consolidating the identified Committees. Clearly, there are many permutations of each of these. Staff suggests Alternative B, which, while larger than might be preferred, allows for the broadest representation while maintaining balance in representation. Staff also recommends that regardless of the configuration, Council review the effectiveness of the new CEDC at the end of two years and make adjustments to mission and membership as Council may determine at that time.

It seems logical that current members of the EDC and the HRAC be kept as part of the new CEDC in the first year to provide continuity through the transition. However, appointments should carry term limits as is the practice with all other Council Committees, with new appointments or reappointments being made on a staggered basis at the end of the first and second years.

The mission of the new CEDC would be to advise Council on factors affecting the economic health of the community, including but not limited to business retention, business attraction, development and design, redevelopment, growth of the Downtown, and other factors affecting economic growth and vitality of Hayward. This would incorporate review of proposed projects that include commercial or retail aspects, or which should include those aspects; and review of planned Downtown events. Their mission could also include communication with and liaison to business organizations such as the Chamber and the Downtown Business Improvement District.

In the first start-up year, staffing support for this new Committee would come from the City Manager's Office under the leadership of the City Manager or the Assistant City Manager with technical support from staff in Redevelopment, Economic Development, and the Department of Development Services. As the Committee becomes more formed and sure of their mission, staff leadership would transition to the Economic Development Manager, supported by Redevelopment and Development Services.

ECONOMIC IMPACT

If this proposed Committee takes hold, it could provide both staff and Council with a formidable sounding board and source of advice and perspective on improving the economic environment of Hayward. In this combined format, it will also provide the community with a clear place to bring issues, concerns, and suggestions elated to business health, Downtown growth, and retail needs throughout the community. As such, it can only assist in continuing to improve the business environment and economy of the community.

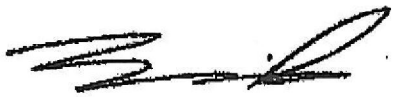
FISCAL IMPACT

An improved and strengthened economy improves revenue to the City. Consolidating four Committees into one alleviates what has been an unproductive strain on staff from the requirement of preparing four agenda packets and attending four separate meetings; and assists staff in being more productive and efficient, thus saving money.

NEXT STEPS

If Council decides to move forward with this consolidation, the City Manager and the City Clerk will work with the Mayor, current members of the existing Committees, the City Attorney, and the current staff to each existing Committee to (1) resolve the issues surrounding the HRAC, and (2) establish the new, combined Committee. Staff will return to Council in September with an information report on resolution of the HRAC issues, Committee membership, meeting logistics, and draft annual meeting agenda topics. If it is determined that the HRAC cannot be combined into the new CEDC, the report will also contain a plan to strengthen the role of the HRAC as well as its connection to the CEDC.

Prepared and Approved by:



Fran David, City Manager

Attachments:

Attachment I – Current Committee Information Table
Attachment II – Configuration Alternatives

COMMITTEE	CURRENT MEMBERSHIP	SCHEDULED MEETINGS	MEMBERSHIP QUALIFICATIONS	AREAS OF RESPONSIBILITIES	STAFFING RESPONSIBILITIES
CCCIC	CM Dowling - Chair CM Halliday CM Zermeño	Monthly 4th Monday 5:30 pm to 6:30 pm	Elected member of Council.	Reviews specified commercial development projects with the primary purpose of suggesting architectural, landscaping, and site improvements to ensure that new projects and the renovation of existing shopping centers are of high quality.	Development Services
CDC	CM Halliday - Chair CM May CM Zermeño	Monthly 4th Monday 7:00 pm to 9:00 pm	Elected member of Council.	Reviews specified development in the Downtown Area with the primary purpose of suggesting architectural, landscaping, and site improvements to ensure new projects and renovation of existing buildings are of high quality. Advises City Council about the economic climate of the Downtown and ways to further develop the Downtown Area,	City Manager's Office - Redevelopment
EDC 9 member slots	Mayor Sweeney CM May CM Zermeño Landon Baines - Chair Christopher Lam Avtar Singh Terri Swartz Jim Wieder	Monthly 1st Monday 4:00 pm	Nine members: • 3 from City Council • 6 from the local community, who shall either be a resident of the City of Hayward or do business in the City of Hayward	The Economic Development Committee advises City Council about the economic climate of the City and ways to improve local business and employment opportunities. The Committee is guided by long-range objectives established by Council.	City Manager's Office – Economic Development
HRAC 17 member slots	Michael Aahl Mike Brewer Terry Lee David Long Don Orque – Chair Bonnie Payton Rosemarie Ramos Bill Vandenburgh	Quarterly 2nd Wednesday 7:00 pm	• Residential owner-occupant (6): 2 from each area • Residential tenant (3): one each from Burbank and Mission-Foothill • Business owner (3): Same • Commercial property owner (2): one each from Burbank and Mission • Representative of community agency (3): One each from Burbank, Downtown, and Mission	The HRAC serves as a Project Area Committee under California Redevelopment Law. The purpose of the HRAC is to provide advice and guidance to the Redevelopment Agency on matters relating to the redevelopment of the Downtown Hayward Redevelopment Project Area, which includes the Burbank-Cannery and Mission-Foothill subareas; and which includes matters of housing.	City Manager's Office – Redevelopment

ALTERNATIVE	CURRENT COMMITTEE	QTY	REPRESENTATION ON CEDC
A. Standard Council Committee configuration and operations with Mayor as Chair	Council Committees (CDC & CCCIC)	3	Mayor and two Council Members
	EDC	3	Initially, members would be some of the existing EDC members and would meet the requirements currently defined in the EDC by-laws.
	HRAC	3	Initially, members would be some of the existing HRAC members: One each from the three Redevelopment Areas: Downtown, Cannery-Burbank, and Mission-Foothill. Reasonable attempts would be made to assure residential tenants or homeowners, business, and property owner perspectives.
B. Standard Council Committee configuration and operations with Mayor as Chair.	Council Committees (CDC & CCCIC)	3	Mayor and two Council Members
	EDC	4	Initially, members would meet the requirements currently defined in the EDC by-laws.
	HRAC	4	Initially, members would be some of the existing HRAC members: One each from Downtown and Cannery-Burbank and two from Mission Foothill (). Reasonable attempts would be made to assure residential tenants or homeowners, business, and property owner perspectives.
C. Transitional Council Committee configuration and operations, with Mayor as Chair.	Council Committees (CDC & CCCIC)	3	Mayor and two Council Members

ALTERNATIVE	CURRENT COMMITTEE	QTY	REPRESENTATION ON CEDC
	EDC	6	All existing members are "grandfathered" in for one year
	HRAC	6	At least six HRAC members, based on attendance records for the last two years, would be "grandfathered" in for one year.