CITY OF
HAYWARD
HEART OF THE BAY

City Council Agenda

December 20, 2011

Mayor Michael Sweeney
Mayor Pro Tempore Barbara Halliday
Council Member Olden Henson
Council Member Marvin Peixoto
Council Member Bill Quirk
Council Member Mark Salinas
Council Member Francisco Zermeño

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CITY OF HAYWARD
HEART OF THE BAY

CITY COUNCIL MEETING FOR DECEMBER 20, 2011

777 B STREET, HAYWARD CA 94541
WWW.HAYWARD-CA.GOV

CLOSED SESSION
Closed Session Room 2B – 4:30 PM

1. **PUBLIC COMMENTS**

2. Public Employment
   Pursuant to Government Code 54957
   - Performance Evaluation
     City Manager

3. Conference with Labor Negotiators
   Pursuant to Government Code 54957.6
   - Lead Negotiators: City Manager David, City Attorney Lawson, Assistant City Manager Morariu, Human Resources Director Robustelli, and Finance Director Vesely
     Under Negotiation: All Bargaining Units

4. Public Employment
   Pursuant to Government Code Section 54957
   - Public Works Director

5. Conference with Real Property Negotiators
   Pursuant to Government Code 54956.8
   - Lead Negotiators: City Manager David, Assistant City Manager Morariu, City Attorney Lawson, Assistant City Attorney Conneely, Redevelopment Project Manager Ortega, and Finance Director Vesely
     Under Negotiation: 22631 Foothill Boulevard

6. Adjourn to Special Joint City Council/Redevelopment Agency/Housing Authority Meeting

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SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT AGENCY/
HOUSING AUTHORITY MEETING
Council Chambers - 7:00 PM

CALL TO ORDER **Pledge of Allegiance** Council Member Peixoto

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session, or Informational Staff Presentation items. The Council 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 City or are within the jurisdiction of the City. As the Council 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.)*

ACTION ITEMS: (*The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk anytime before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT

1. Approval of Minutes of the Special City Council/Redevelopment Agency/Housing Authority Meeting on December 6, 2011
   Draft Minutes

2. Appointment to the Alameda County Mosquito Abatement District Board of Trustees
   Staff Report
   Attachment I Resolution
   Attachment II Letter

3. Resolution Authorizing the City Manager to Negotiate and Execute a Ground Lease for Phase I and an Option Agreement with Master Lease for Phases I-V with Hayward Airport Development, LLC on a Parcel of Land at Hayward Executive Airport
   Staff Report
   Attachment I Resolution
   Attachment II HAD Site Location Map

4. Signal Timing and Controller Replacement Program Phase 2: Authorization for the City Manager to Execute an Amendment to the Professional Services Agreement with TJKM Transportation Consultants, Inc., for Traffic Signal Design and Signal Retiming, and for the City Manager to Execute a Fund Transfer Agreement with the Alameda County Transportation Commission (Alameda CTC)
   Staff Report
   Attachment I Resolution
   Attachment II Location Map
   Attachment III Agreement

5. Assignment and Assumption of Cinema Place First Amended Ground Lease and Related Documents from Hayward Cinema Place, LLC to Levy Affiliated Holdings, LLC or a Related Entity Pertaining to the Cinema Place Project
   Staff Report
   Attachment I
   Attachment II
   Attachment III Resolution

6. Supplemental Appropriation of Forfeitures Funding
   Staff Report
   Attachment I Resolution

The following order of business applies to items considered as part of Public Hearings and Legislative Business:

- *Disclosures*
- *Staff Presentation*
- *City Council Questions*
- *Public Input*
- *Council Discussion and Action*

PUBLIC HEARING

7. Request for a Zone Change from High Density Residential District to General Commercial District, Repeal the Mission Corridor Special Design Overlay District, and Site Plan Review Associated with a Proposed Renovation of the Toyota Dealership Zone Change Application PL-2011-0283 / Text Amendment Application PL-2011-0348 / Site Plan Review Application PL-2011-0215 – Stantec, Larry Tidball (Applicant) / Auto Mission Ltd. (Owner) – The Properties to be Rezoned are 24690 Through 24710 O'Neil Avenue, the Mission Corridor Special Design Overlay District Encompasses the Mission Boulevard Corridor Between Jackson Street and Harder Road ***(Report from Development Services Director Rizk)***
   Staff Report
   Attachment I Resolution
   Attachment II Zone Change Ordinance
   Attachment III Text Amendment Ordinance
   Attachment IV Area Map
   Attachment V Site Plan Aerial
   Attachment VI Mission Corridor Special Design Overlay (SD-2) District
   Attachment VII Recommended Conditions of Approval
   Attachment VIII Initial Study Checklist and Negative Declaration
   Attachment IX Planning Commission Report Minus Attachments
   Attachment X Development Plans

LEGISLATIVE BUSINESS

8. FY 2011 General Fund Year-end Review ***(Report from Finance Director Vesely)***
   Staff Report
   Attachment I

9. Annual Report of Redevelopment Agency Activities for FY 2011 ***(Report from Assistant City Manager Morariu)***
   Staff Report
   Attachment I Agency Resolution
   Attachment II Council Resolution
   Attachment III RDA Annual Report

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items

ADJOURNMENT

DECEMBER 27, 2011 AND JANUARY 3, 2012 MEETINGS CANCELED
DUE TO FURLOUGH AND HOLIDAY

NEXT SPECIAL MEETING – 7:00 PM, TUESDAY, JANUARY 10, 2012

PUBLIC COMMENT RULES: *The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name and their address before speaking and are expected to honor the allotted time. A Speaker's Card must be completed by each speaker and is available from the City Clerk at the meeting.*

PLEASE TAKE NOTICE *that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.* ***PLEASE TAKE FURTHER NOTICE*** *that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

****Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ****

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

Please visit us on:

MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT AGENCY/HOUSING AUTHORITY MEETING OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, December 6, 2011, 7:00 p.m.

The Special Joint City Council/Redevelopment Agency/Housing Authority Meeting was called to order by Mayor/Chair Sweeney at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Sweeney.

ROLL CALL

Present:	COUNCIL/RA/HA MEMBERS Zermeño, Quirk, Halliday, Peixoto, Salinas, Henson MAYOR/CHAIR Sweeney
Absent:	COUNCIL/RA/HA MEMBER None

CLOSED SESSION ANNOUNCEMENT

Mayor Sweeney reported that the Council met concerning three items: Conference with Legal Counsel pursuant to Government Code 54956.9; Conference with Real Property Negotiators pursuant to Government Code 54956.8; and Conference with Labor Negotiators pursuant to Government Code 54957.6. There was no reportable action.

PRESENTATIONS

Business Recognition Award – Intarcia Therapeutics, Inc.

The Business Recognition Award for the month of December 2011 was presented to Intarcia Therapeutics, Inc. Intarcia Therapeutics, a biopharmaceutical company, moved to Hayward in November 2007 and grew its business from two to 51 employees. The Business Recognition Award was given to Intarcia Therapeutics for the contributions the company has made by locating its headquarters in Hayward; providing excellent job opportunities to local residents; being an industrial leader; and contributing to the overall economic well-being of the community. City of Hayward Economic Development Manager Sean Brooks accepted the award on behalf of James Ahlers, Vice President of Finance and Operations and Chief Financial Officer.

League of California Cities 2011 Helen Putnam Award
Hayward Public Mural Art Program

Mr. Eric Figueroa, representing the League of California Cities, announced that the League of California Cities had selected the City of Hayward as the "2011 Helen Putnam Award for Excellence" winner in the area of Community Services and Economic Development. Mr. Figueroa noted that the Hayward Public Mural Art Program was instituted as an anti-graffiti tool. Neighborhood Partnership Manager, Stacey Sorensen, thanked the League of California Cities, City Council, City staff, Community Development Block Grant (CDBG) program, and the talented artists for their support to the Public Mural Art Program. Ms. Sorensen noted that the Public Mural

Art Program has instilled civic pride, property beautification, job creation, volunteerism, and support for local business. Ms. Sorensen noted that what started with 35 utility boxes in the downtown had turned into a successful and inspiring program. On behalf of the California League of Cities, Mr. Figueroa presented the Mayor with the 2011 Helen Putnam Award for the Hayward Public Mural Art Program. Mayor Sweeney thanked the League for the award and acknowledged the contribution of former City Manager Jones.

PUBLIC COMMENTS

Ms. Wynn Grcich, Industrial Parkway SW resident, noted that fluoride in drinking water is harmful because it contains lead and arsenic and also causes dental fluorosis. Ms. Grcich referred to an article entitled, "Alzheimer's in America: The Aluminum-Phosphate Fertilizer Connection" by Lynn Landes, and noted that aluminum is known to cause Alzheimer's disease.

Ms. Audrey LePell, Ocie Way resident and president of Citizens for Alternative Transportation (CAT), requested the City Council reconsider the decision to make A Street a one-way street.

Mr. Doug Ligibel, Grand Terrace resident, commended City staff for a successful Santa Paws Pet Parade. Mr. Ligibel reported a problem in the downtown where children ride in the back of motorcycles without protective gear and their guardians are negligent. He requested that the City get involved and take a preventative approach.

Ms. Sara Lamnin, Sebastopol Lane resident, spoke in favor of the proposed Fire Station Health Portals and encouraged Council to utilize non-profit organization resources in helping reduce the number of visits to the emergency rooms.

Ms. Marcia Campos, La Familia Counseling Services Executive Director, informed the Council that La Familia was closing its Family Resource Center and Eden Youth Center on Tennyson Road due to lack of funding. Ms. Campos added that La Familia Center on Fuller Street would continue to operate with the assistance of Community Development and Block Grant (CDBG) funding.

Mr. Charlie Peters, with Clean Air Performance Professionals, praised the Police Department for its generosity towards him when he was given $60 after he informed the department that his groceries were stolen from his vehicle. Mr. Peters referred to a letter he had written to Dr. Mark Carlock with the State of California's Smog Referee Program, and commented that there may be opportunity to improve the program by better regulation of smog checks.

Mr. Gabriel Hernandez, Hayward Day Labor Center Director, was in attendance for the informational report regarding the Secure Communities program. Mr. Hernandez expressed support for maintaining and fostering a relationship of trust among Day Labor Center clients, the Police Department, and Hayward residents. Mr. Hernandez noted the Center helped with the graffiti abatement program and participated in other volunteer work in the community.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT AGENCY/HOUSING AUTHORITY MEETING OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, December 6, 2011, 7:00 p.m.

WORK SESSION

1. Fire Station Health Portal Collaboration between Fire Departments, Acute Care Hospitals, Federally Qualified Health Centers (FQHC), and Alameda County Health Care Service Agency's Emergency Medical Services (EMS) Division

   Staff report submitted by Deputy Fire Chief Contreras, dated December 6, 2011, was filed.

Fire Chief Bueno provided a synopsis of the report and introduced Director of Health Care Services Agency for Alameda County, Alex Briscoe, who in turned gave Alameda County Supervisor Nadia Lockyer the opportunity to address the Council.

Alameda County Supervisor Lockyer extended an invitation to the City Council to participate in the Fire Station Health Care Portal pilot program. Supervisor Lockyer noted that in October 2011, the Alameda County Health Care Services Agency launched a steering committee comprised of various stakeholders to address healthcare disparities, access to care challenges, and the cost of medical services across the county. Supervisor Lockyer commented that Fire Departments expressed strong interest for participation due to their role in delivering medical care. Supervisor Lockyer stated that healthcare advocates recognized the need for health portals at fire stations. Lastly, she mentioned that Fire Chief Bueno had been involved with the proposal since its inception and asked for Council's support.

Mr. Alex Briscoe, Director of Health Care Services Agency for Alameda County, provided an overview of the proposed Fire Station Health Care Portal pilot program noting it would provide services to the uninsured and underinsured populations seeking low-acuity treatment, which in turn would divert some cases from emergency rooms and primary care settings, and would ultimately lead to savings in the healthcare sector. Mr. Briscoe noted that the proposal would consist of a three year pilot at five fire stations in Alameda County. He noted that the total cost was estimated at $2 million and the staffing and operations would be covered through funding from SB 12 Emergency Medical Services (EMS) Trust Fund Revenue, Measure A, and 1115 Hospital Waiver. He added that participating municipalities would contribute to the one time construction cost of converting fire stations or nearby facilities into licensed medical facilities and this was estimated to be between $350,000 and $500,000 per site. Lastly, he urged the Council's support.

Council Member Henson supported the Fire Station Health Care Portal pilot program stating that the proposal was innovative and was rethinking the process of healthcare delivery. In response to Council Member Henson's inquiry about Hayward having the highest emergency room diversion rate in Alameda County, Mr. Briscoe indicated that although St. Rose Hospital was a private hospital, the city relies on St. Rose Hospital for its Emergency Room services and added that it does not have the capacity to serve the growing low-income population. Mr. Henson supported moving

the proposal along to the Budget and Finance Committee and noted that despite current financial strains the City needs to consider this proposal because it would be a benefit to the community.

In response to Council Member Peixoto's inquiry, Mr. Briscoe noted that the Health Care Services Agency is seeking the City's approval to move forward with the feasibility study.

In response to Council Member Peixoto's question regarding the one-time construction cost to the municipalities, Mr. Briscoe responded that the cost would be dependent upon what sites are selected for the pilot program. He noted that the selected facility would operate without interrupting the current EMS functions of the Fire Department. Mr. Briscoe emphasized that the facility would be a separate entity with its own egress and its own licensing and could experience staff augmentation due to an increasing need for acuity response. Mr. Briscoe urged the City Council's approval to perform an assessment noting it would consist of evaluating neighborhoods around Fire Stations where there is a high service need and look at possible sites where there is an existing structure already in place to house the medical facility. Council Member Peixoto commented that health care portals would be an excellent program and added that this niche was missing in the health care system.

Council Member Halliday favored supporting the feasibility study and noted the proposal was innovative. Ms. Halliday indicated that although there were costs associated with getting the program up and running, there would be a savings to the community as a result of the implementation of this program. She added that as a member of the Budget and Finance Committee she would be committed to finding ways to get the program started in Hayward. Council Member Halliday raised the concern of whether the City would incur liability for its facility functioning as a primary care provider. Mr. Briscoe responded that the Health Care Services Agency had already contacted the State and was awaiting response regarding the scope of expansion. He stated that the clinics located at the Fire Stations would be licensed and would have the protections of a federally qualified health center and a tort liability waiver.

Council Member Zermeño expressed support of the program primarily because residents who cannot afford health care would be benefited by the health care portals. In response to Council Member Zermeño's question whether the historical museum located next to Fire Station 1 would be considered as a possible site for the pilot project, City Manager David noted that this would be addressed during the feasibility study. Council Member Zermeño stated this proposal was an effective collaborative program and thanked the Fire Department, Supervisor Lockyer, and Mr. Briscoe for their participation.

Council Member Salinas suggested that stakeholders such as Hayward Area Recreation and Park District, California State East Bay, Chabot College, and the Hayward Unified School District, be contacted to seek their partnership in building a city-wide collaborative effort. Council Member Salinas approved the pilot program and further indicated that it was a great response to the private industry's involvement in offering health-based services.

Council Member Quirk thanked Mr. Briscoe, Supervisor Lockyer, and Fire Chief Bueno for the information presented. He was hopeful that there would be a way to pay for the capital costs of the proposed Health Care Portal.

Mayor Sweeney indicated that there was consensus to refer the proposal to the Budget and Finance Committee for further evaluation and to bring a report back to Council for final decision.

2. Discussion of Federal Holds in Hayward's Detention Facility

Staff report submitted by Operations Support Director Waters, dated December 6, 2011, was filed.

City Manager David noted that the report was informational and was prepared in response to inquiries received.

In response to Council Member Henson's inquiry regarding the forwarding of an arrestee's fingerprints, Police Chief Urban noted that per the Secure Communities program, the Hayward Police Department (HPD) could not opt-out from sharing and transferring data with agencies such as the Federal Bureau of Investigations (FBI) and the Department of Homeland Security (DHS). Police Chief Urban informed Council Member Henson that the California Department of Justice (CDOJ) shares the fingerprinting information with the FBI, enabling the HPD to analyze the fingerprints and determine if an individual being detained has a warrant for criminal offenses committed outside of California. In regards to Council Member Henson's question regarding DHS visits to the HPD, Police Chief Urban stated the DHS agency usually comes to the HPD with their own search criteria.

Council Member Henson commented that the HPD has never used an individual's immigration status as the basis for police contact and Police Chief Urban noted that the HPD has a policy in place that an individual's immigration status alone will never be used as grounds for taking police action, absent some exigent circumstances. She emphasized that the local law does not enforce immigration law.

Council Member Zermeño asked staff if County level agencies are able to opt-out of participating in the Secure Communities program. Police Chief Urban responded that there is not an opt-out option with the sharing of biometric information on someone who is being booked for a criminal offense. Ms. Urban emphasized that the County serves as the repository of fingerprinting information throughout the County.

Police Chief Urban responded to Council Member Zermeño's question that the local police department is not reimbursed by DHS for the expenses incurred for holding a detainee in jail for a period up to 48 hours in order for the DHS to interview this individual. City Manager David reiterated that no person within the boundaries of Hayward would be solely contacted or detained for having an undocumented status, unless the immigration status is relevant to another criminal offense.

Police Chief Urban stated that Police Chiefs, who are proponents of community policing, recognize and value their relationship with community members. Chief Urban noted that HPD has a clear policy that they do not enforce immigration law.

Council Member Zermeño voiced concern about undocumented individuals potentially being arrested for not having proper documents when they report a crime or an act of violence. City Manager David noted that the City has a formal policy in place stating that anyone coming forward with information regarding a crime, or anyone who has been a victim of a crime, is protected despite their immigration status. Council Member Zermeño thanked staff for providing a detailed report.

Police Chief Urban confirmed for Council Member Salinas that the City's current policy has been in place for many years.

CONSENT

Consent Item No. 4 was removed for a separate vote.

3. Approval of Minutes of the Special Joint City Council/Redevelopment Agency/Housing Authority Meeting on November 15, 2011

It was moved by Council/RA/HA Member Zermeño, seconded by Council/RA/HA Member Henson, and carried unanimously, to approve the minutes of the Special Joint City Council/Redevelopment Agency/Housing Authority Meeting of November 15, 2011.

4. Adoption of an Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2011-0175 Relating to the Eden Commons Residential Development

> Staff report submitted by City Clerk Lens, dated December 6, 2011, was filed.

It was moved by Council Member Halliday, seconded by Council Member Henson, and carried with Mayor Sweeney abstaining, to adopt the following:

> Ordinance 11-14, "An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2011-0175 Relating to the Eden Commons Residential Development"

5. Adoption of an Ordinance Providing Interim Relief from Certain Inclusionary Housing Provisions

> Staff report submitted by City Clerk Lens, dated December 6, 2011, was filed.

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

Ordinance 11-13, "An Ordinance Providing Interim Relief from Certain Inclusionary Housing Provisions"

6. Authorization for the City Manager to Negotiate and Execute a Professional Services Agreement for the Design of the New Hayward Executive Airport Administration Building

Staff report submitted by Deputy Director of Public Works Fakhrai, dated December 6, 2011, was filed.

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

Resolution 11-180, "Resolution Authorizing the City Manager to Negotiate and Execute a Professional Services Agreement with WLC Architects, Inc. for Architectural Services Associated with the Design of the Hayward Executive Airport New Administration Building, Project No. 6815"

7. Assignment and Assumption of the Commercial Aviation Site Lease between the City and EPIC Aviation, LLC to Parkavion Property Management HWD, LLC

Staff report submitted by Airport Manager McNeeley, dated December 6, 2011, was filed.

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

Resolution 11-181, "Resolution Authorizing the City Manager to Approve an Assignment and Assumption of the Commercial Aviation Site Lease Between the City and Epic Aviation, LLC, to Parkavion Property Management HWD, LLC"

8. Authorization to Negotiate a Professional Services Agreement with Townsend Public Affairs, Inc. to Assist in Securing State and Federal Funding for Affordable Housing, Economic Development, Public Safety, Library, Infrastructure, and Transportation Related Activities; and to Appropriate Funding

Staff report submitted by Administrative Analyst II Blohm, dated December 6, 2011, was filed.

It was moved by Council/HA Member Zermeño, seconded by Council/HA Member Henson, and carried unanimously, to adopt the following:

Resolution 11-182, "Resolution Authorizing the City Manager to Negotiate and Execute a Professional Services Agreement with Townsend Public Affairs, Inc., to Assist in Securing State and Federal Funding for Affordable Housing, Economic Development, Public Safety, Library, Infrastructure, and Transportation Related Activities, and Public Facilities"

Resolution 11-183, "Resolution Amending Resolution 11-092, as Amended, the Operating Budget Resolution for Fiscal Year 2012 Relating to an Appropriation of Funds from the General Fund, Fund 100"

Housing Authority Resolution 11- 07, "Resolution Authorizing the Executive Director to Negotiate and Execute a Professional Services Agreement with Townsend Public Affairs, Inc., to Assist in Securing State and Federal Funding for Affordable Housing, Economic Development, Public Safety, Library, Infrastructure, and Transportation Related Activities, and Public Facilities"

Housing Authority Resolution 11-08, "Resolution Amending Resolution HA 11-03, as Amended, the Housing Authority Budget Resolution for Fiscal Year 2012 Relating to an Appropriation of Funds from the Housing Authority Operating Fund, Fund 241"

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño informed the audience that December 8th is National Tamal Day in the United States and encouraged everyone to visit a Mexican restaurant in Hayward and stimulate the local economy.

Council Member Henson announced the 3rd Annual Shop Hayward Campaign and explained that the first 150 people who spent at least $150 at any retail or restaurant outlet in Hayward on December 17 or 18, 2011, and presented receipts at the City Hall Information Kiosk on December 19, 2011, would receive gifts. He asked the audience to shop Hayward to stimulate the local economy.

Council Member Salinas thanked City staff, the Hayward Chamber of Commerce, and other sponsors for helping execute a successful Light Up the Season event on December 1, 2011.

ADJOURNMENT

Mayor Sweeney adjourned the meeting at 8:41 p.m., in memory of Donna Fitzwater, Joe Oakman, and Juanita McDonald.

Donna Fitzwater passed away unexpectedly on November 28, 2011. Donna Fitzwater was a tireless charismatic leader of the Hayward area core of volunteers. In 1996 she took on the task of

coordinating volunteers for the City of Hayward, the Hayward Unified School District, and the Hayward Area Recreation and Park District. Council Members spoke highly of her legacy as a true volunteer and remembered her for her commitment to the community at large and other surrounding communities, her incredible organization skills, her energetic demeanor, her enthusiasm to help different age groups, her skills to mobilize the public as well as the private sectors, and her creativity to organize different events for the needy. It was noted that she was a "true gem" who would be greatly missed. Mayor Sweeney announced that her memorial service was scheduled for December 9, 2011. Mayor Sweeney asked that a tree be planted in her memory.

Joe Oakman, also known as the Mayor of B Street, was a gifted storyteller, a longtime merchant and good neighbor. He was a Hayward barber shop owner for 57 years. He lost his battle to cancer. Mayor Sweeney announced his memorial service was scheduled for December 10, 2011. Mayor Sweeney asked that a tree be planted in his memory.

Council Member Halliday noted that Juanita McDonald was a Hayward resident, actively involved with the Southgate Homeowners Association and with saving homes during the highway realignment in her neighborhood. She contributed enormously to the Literacy Plus Program. She authored the book entitled "A Child Apart," which dealt with lymphedema, a condition she had. Her service was held on November 30, 2011. Mayor Sweeney asked that a tree be planted in her memory.

APPROVED:

_____

Michael Sweeney, Mayor, City of Hayward
Chair, Redevelopment Agency/Housing Authority

ATTEST:

_____

Miriam Lens, City Clerk, City of Hayward
Secretary, Redevelopment Agency/Housing Authority

CITY OF
HAYWARD
HEART OF THE BAY

___2_____

DATE: December 20, 2011

TO: Mayor and City Council

FROM: City Clerk

SUBJECT: Appointment to the Alameda County Mosquito Abatement District Board of Trustees

RECOMMENDATION

That the City Council adopts the resolution appointing Council Member Halliday to the Alameda County Mosquito Abatement District Board of Trustees.

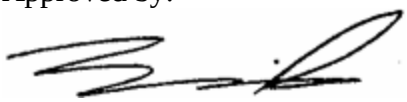
BACKGROUND

On January 25, 2011, Council Member Halliday was appointed to the Alameda County Mosquito Abatement District Board of Trustees to fill the reminder term left by Paul Garcia, who died in 2010 after serving 25 years as the City's representative to the Alameda County Mosquito Abatement District.

As indicated in Attachment II, the District is requesting an appointment for a two-year term from January 1, 2012 through January 1, 2014.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



_____

Fran David, City Manager

Attachments:

Attachment I Resolution Appointing CM Halliday
Attachment II Letter from the ACMAD

ATTACHMENT I

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION APPOINTING COUNCIL MEMBER HALLIDAY AS CITY OF HAYWARD REPRESENTATIVE TO THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT BOARD OF TRUSTEES

BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby appoints Council Member Halliday as the City of Hayward representative to the Alameda County Abatement District Board of Trustees for a two-year term from January 1, 2012 through January 1, 2014.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

Alameda County Mosquito Abatement District

BOARD OF TRUSTEES
Marisel Brown, President
Jan O. Washburn, Vice-President
Jim Prola, Secretary
Dennis Bray
Edgar I. Centeno
James N. Doggett
T. David Edwards
Jim Golden
Barbara Halliday
John D. Hughes
James Kohnen
Denny McLeod
Ronald E. Quinn
William M. Spinola

John R. Rusmisel
District Manager
acmad@mosquitoes.org

10/20/11 12:16 CLK

October 18, 2011

Mayor Michael Sweeney
City of Hayward
777 B Street
Hayward, CA 94541-5007

Dear Mayor Sweeney:

The term of office of Barbara Halliday, as trustee of this District, will expire on January 1, 2012. We respectfully request an appointment be made for a two-year term of trustee of this District representing the City of Hayward.

Council Member Halliday was appointed by the Hayward City Council in January 2011 to complete the term of Paul Garcia who died in December 2010 after serving 25 years as a Trustee representing the City of Hayward.

We shall appreciate your sending us a certified copy of your resolution appointing your trustee to our Board for the term ending January 1, 2014.

Sincerely,

John R. Rusmisel

John R. Rusmisel
District Manager

Cc: Miriam Lens
Barbara Halliday

23187 Connecticut Street, Hayward, CA 94545 ♦ (510) 783-7744 Tel ♦ (510) 783-3903 FAX ♦ www.mosquitoes.org
Celebrating 80 Years of Service to the Residents of Alameda County

CITY OF
HAYWARD
HEART OF THE BAY

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Resolution Authorizing the City Manager to Negotiate and Execute a Ground Lease for Phase I and an Option Agreement with Master Lease for Phases I-V with Hayward Airport Development, LLC on a Parcel of Land at Hayward Executive Airport

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) authorizing the City Manager to negotiate and execute a Ground Lease for Phase I and an Option Agreement with Master Lease for Phases I-V with Hayward Airport Development, LLC for a parcel of land at Hayward Executive Airport.

BACKGROUND

The City issued a Request for Proposals (RFP) on April 15, 2009 for development of a portion of the California Air National Guard (CANG) site at the Hayward Executive Airport consisting of 16.63 acres of land. The RFP was intended to spur renovation and civilian use of the existing 24,000 square foot large aircraft storage hangar (with associated office space), as well as the construction, operation, and management of additional privately-owned aircraft storage hangars. Staff received four proposals by the submission deadline of May 29, 2009, and after evaluation, staff determined the proposal from Hayward Airport Development LLC (HAD) to be the most responsive and responsible.

At the time of the RFP, it was the desire of the City that the Air National Guard convey a release of the property to the City, contingent on acceptance of responsibility for all future cleanups. In a letter dated June 24, 2011, the National Guard Bureau did commit to the cleanup and release of the property contingent on a right-of-entry from the City that granted future access for mitigation and monitoring activities. On October 18, 2011, Council adopted a resolution authorizing the City Manager to negotiate and execute Supplemental Agreement 10, returning twenty-four acres of the twenty-seven -acre site to the City, as well as a right-of entry-agreement for a four year period. Achievement of this milestone allowed lease negotiations for Phase I of the HAD development to proceed in earnest.

DISCUSSION

As reported at the October 27, 2011 Council Airport Committee (CAC) meeting and discussed again at the CAC special meeting on December 12, 2011, staff has been in lease negotiations with HAD regarding Phase I of the CANG site. The CANG Request for Proposals stipulated that the successful applicant may provide self-fueling services. During negotiations, staff anticipated that self-fueling authorization would not be required; rather, a cooperative agreement would be negotiated for the delivery of fuel between Field Aviation, as the designated FBO, and HAD. However, on November 14, 2011, the Trustee for Field Aviation informed staff that development plans would not be moving forward. As a result, HAD has requested permission to install a jet fuel storage tank on its leasehold for self-fueling, and staff supports this request. Similar to the existing requirements for dispensing fuel on the airport by a FBO, HAD will pay fuel flowage charges, but based on 3% of its total gross cost of dispensed fuel rather than 3% of total fuel revenue. The design and installation of fuel storage tanks on the airport are subject to review and approval by the Hayward Fire Department (HFD). The HFD has not yet reviewed or approved the installation of fuel storage tanks on Phase I of the HAD leasehold, but a process is in place to do so based on previous proposed installations at the airport.

At the present time, it is not possible to enter into a lease for the entire Air National Guard (ANG) site released to the City because of the remaining cleanup required. The original proposal had anticipated five phases to the development. The first phase includes the large ANG hanger along with sufficient ground area for operations and access to the existing Taxiway (see Attachment II). The Phase I lease will be for five years with two five-year extensions.

The original CANG RFP mentioned above had established a minimum rent requirement as the standard $0.30/square foot per year for ground rent for the entire site proposed for development. All four proposers, including HAD, reflected the $0.30 rate in their response to the CANG RFP. However, during the past two years of periodic negotiations with HAD while waiting on release of the site, staff determined that the City should receive higher rent for the area covered by the existing CANG hanger. At the Council Airport Committee meeting of December 12, 2011, it was reported that the rent for Phase I will be based on $0.52/s.f. per year for building space and the standard $0.30/s.f. per year for ground rent.

After that meeting, other airport operators have questioned how the $0.52/s.f. per year was established even though it was above the original proposal. Staff reexamined the various factors considered including: (1) the rate for City-owned hangers, (which is about $3.76/s.f. per year); (2) the issues supporting a rate much lower than that include the requirement to also lease additional land area (in addition to the hangar area); (3) the age of the hanger and the need to invest $1,500,000 to make the hanger and site useable; (4) the risk and financing difficulties of dealing with a brown-field site; and (5) the disruption caused to HAD by the remaining cleanup to be done by the US Air Force.

After reevaluating those factors and with the agreement of HAD, the City is now proposing rent of $1.00/s.f. per year for the useable hanger area and the office space being used, and $0.52/s.f./year for the space being donated by HAD for a Tuskegee Airmen Museum (HAD will pay this rent for the next fifty years and will allow the museum to use this space rent-free). Total initial rent per year has been increased by $7,742 based on these changes and will be $52,619.

As mentioned above, in order to occupy Phase I, HAD has indicated an estimated initial investment of $1.5 million, which will cover renovation and improvements to the ANG hangar, as well as new utility extensions and necessary pavement repairs to the access apron. Also as part of Phase I, HAD is providing about 2,000 square feet of rent-free office space in the hangar to use for a Tuskegee Airmen Museum. Consistent with the original RFP, HAD will be entering into an option agreement with the City, based on $.075/sf for the remainder of the land that incorporates Phases II-V of the ANG site. As part of the option agreement, a proposed master lease incorporating Phase I and the remaining Phases II-V has been drafted with an anticipated time frame for each phase predicated on completion of the cleanup work by the Air Force. Phase V, which will be the commercial development along Winton Ave, will have a higher ground rent of $0.50/s.f., while the remaining area will follow the standard ground rent rate, which is presently $0.30/sf, subject to the customary rental increases over time.

ECONOMIC IMPACT

The overall economic impact of this ground lease to the City will be relatively modest. However, HAD has indicated that, when all phases are fully built out, they will store additional aircraft, presumably resulting in increased fuel consumption and additional employment opportunities.

FISCAL IMPACT

The revenue impact for the HAD development will be significant for the Hayward Airport. The proposed lease calls for payments of each phase, with reduced rent during construction, as follows:

Phase I: Ground rent of $4,385 per month, based on a yearly rate of $1.00 per sq. ft. for Hangar Premises and Office Premises, $0.52 per sq.ft. for Museum Premises, and $0.30 per sq. ft. for Aircraft Apron Premises, subject to the City's standard rent adjustments. Rent is calculated at fifty percent of the ground lease rate during Phase I construction.

Phase II: Ground rent of $2,130 per month, based on a yearly rate of $0.30 per sq. ft. with option payments calculated at twenty-five percent of the ground lease rate, and rent calculated at fifty percent of the ground lease rate during Phase II construction.

Phase III: Ground rent of $2,643 per month, based on a yearly rate of $0.30 per sq. ft. with option payments calculated at twenty-five percent of the ground rent rate, and rent calculated at fifty percent of the ground lease rate during Phase III construction.

Phase IV: Ground rent of $6,166 per month, based on a yearly rate of $0.30 per sq. ft. with option payments calculated at twenty-five percent of the ground rent rate, and rent calculated at fifty percent of the ground lease rate during Phase IV construction.

Phase V: Ground rent of $4,344 per month, based on a yearly rate of $0.30 per sq. ft. with option payments calculated at twenty-five percent of the ground lease rate, and rent calculated at fifty percent of the ground lease rate during Phase V construction.

Under Phase I and the option payment for the remaining Phases II-V, the leasehold will contribute total revenue annually of $94,305. After completion of all phases, the leasehold will contribute an annual total of $231,854 to the Airport Operating Fund.

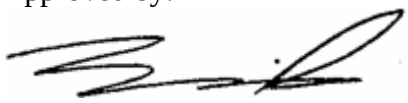
PUBLIC CONTACT

Staff advertised the RFP on April 15, 2009 in accordance with normal and customary procedures. The Council Airport Committee selected Hayward Airport Development on July 23, 2009. Staff provided additional updates to the CAC on July 22, 2010, March 7, 2011, October 27, 2011, and December 12, 2011.

Prepared by: Douglas McNeeley, Airport Manager

Recommended by: Robert A. Bauman, Director of Public Works

Approved by:



_____

Fran David, City Manager

Attachments: Attachment I: Resolution
Attachment II: HAD Site Location Map

HAYWARD CITY COUNCIL

RESOLUTION NO. 11- ____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A GROUND LEASE FOR PHASE I AND A OPTION AGREEMENT WITH MASTER LEASE FOR PHASES I-V WITH HAYWARD AIRPORT DEVELOPMENT, LLC ON A PARCEL OF LAND AT HAYWARD EXECUTIVE AIRPORT

WHEREAS, the City of Hayward ("City") owns and operates the Hayward Executive Airport; and

WHEREAS, the City wishes to lease certain property on the airport in Plot R of the Air National Guard Lease Parcel;

WHEREAS, the City issued a Request for Proposals to publically advertise the property for lease; and

WHEREAS, four organizations responded to the Request for Proposals, and after evaluation of the proposals, Hayward Airport Development LLC was determined to be the most responsive and responsible proponent;

NOW, THEREFORE, BE IT RESOLVED, that the City Manager is authorized to negotiate and execute a ground lease with Hayward Airport Development LLC for Phase I and an Option Agreement with Master Lease for Phases I-V in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

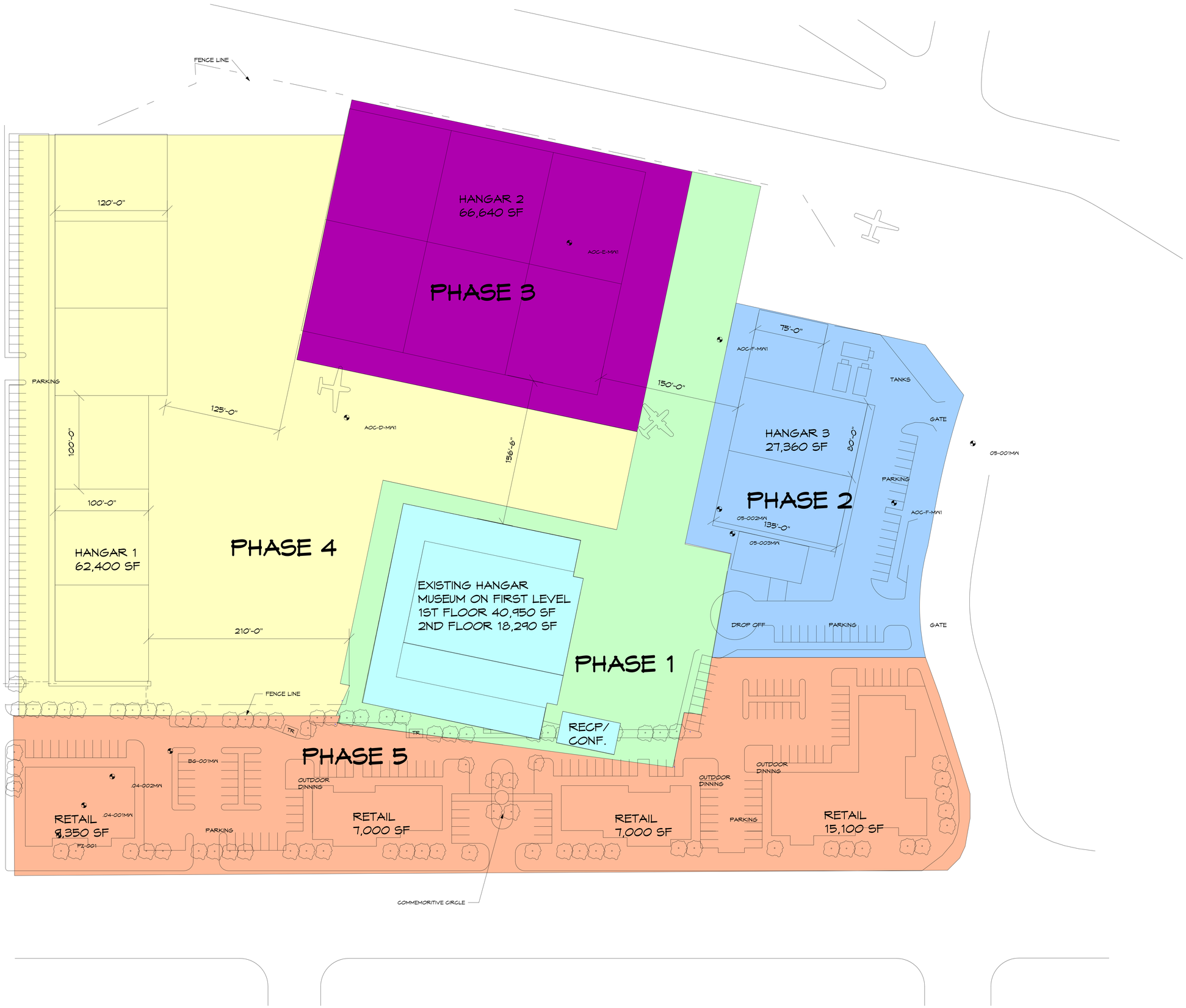
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward



1 SITE PLAN TRUE NORTH
1" = 40'-0"

ATTACHMENT II

HAYWARD HANGAR/SP
AVIATION

DEVCON CONSTRUCTION INCORPORATED
690 Gibraltar Drive
Milpitas, California 95035
(408)942-8200 Lic. #399163

LAND USE PER PHASE

	PHASE 1 (INCLD. TAXI WAY)	123,632 SQ. FT / 2.84 ACRES
	PHASE 2	85,213 SQ. FT / 1.95 ACRES
	PHASE 3	105,703 SQ. FT / 2.43 ACRES
	PHASE 4	246,652 SQ. FT / 5.66 ACRES
	PHASE 5	173,739 SQ. FT / 3.99 ACRES
	TOTAL	734,939 SQ. FT / 16.87 ACRES

GENERAL NOTES:
CONTRACTOR SHALL FIELD VERIFY ALL JOB CONDITIONS AND DIMENSIONS. VARIATIONS THEREOF FROM THE DRAWINGS MUST BE REPORTED TO THE ARCHITECT.

DETAILS INDICATED ON THE DRAWINGS ARE REPRESENTATIVE AND TYPICAL. ALL ATTACHMENTS AND CONNECTIONS SHALL CONFORM TO BEST PRACTICE AND SHALL BE THE CONTRACTOR'S RESPONSIBILITY.

THIS DRAWING EMBODIES IDEAS, DESIGNS, ARRANGEMENTS, PLANS AND SPECIFICATIONS WHICH ARE PROPRIETARY TO DEVCON CONSTRUCTION INC., AND WHICH WERE DESIGNED, CREATED, EVOLVED AND DEVELOPED FOR USE SOLELY IN CONNECTION WITH THE SPECIFIED PROJECT. NO TRANSFER OF ANY RIGHTS THERETO IS INTENDED OR EFFECTED BY DELIVERY HEREOF, AND EXCEPT UPON THE WRITTEN PERMISSION OF DEVCON CONSTRUCTION INC., THE DRAWING IS NOT TO BE DISCLOSED TO OTHERS, REPRODUCED OR COPIED IN WHOLE OR IN PART, OR USED IN THE FABRICATION OR CONSTRUCTION OF BUILDINGS, STRUCTURES, FOUNDATIONS, OR ANY PORTIONS THEREOF, FOR OTHER THAN THE SPECIFIED PROJECT.

© DEVCON CONSTRUCTION, INC.

REVISIONS

NO.	DATE	DESCRIPTION	BY

PROPOSED MASTER SITE PLAN

JOB NO. 09-304	SHEET NO.
DATE: 11/03/11	A1.0
DRAWN: BKW	
CHECKED: SLY	
ISSUE:	OF SHEETS

11/3/2011 1:37:41 PM

CITY OF
HAYWARD
HEART OF THE BAY

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Signal Timing and Controller Replacement Program Phase 2: Authorization for the City Manager to Execute an Amendment to the Professional Services Agreement with TJKM Transportation Consultants, Inc. for Traffic Signal Design and Signal Retiming, and for the City Manager to Execute a Fund Transfer Agreement with the Alameda County Transportation Commission (Alameda CTC)

RECOMMENDATION

That Council adopts the attached resolution:

1. Authorizing the City Manager to execute a Transportation Fund for Clean Air (TFCA) fund transfer agreement with the Alameda County Transportation Commission;

2. Authorizing the City Manager to amend the existing Professional Services Agreement with TJKM Transportation Consultants for an additional amount not to exceed $40,000; and

3. Appropriating $218,000 in the Transportation System Improvement Fund for the Citywide Signal Timing and Controller Replacement Program Phase II Project.

SUMMARY

The City has received approval from the Alameda County Transportation Commission (Alameda CTC) for a FY 2012 grant application of $190,000 for Phase 2 of a traffic signal timing and controller replacement project that will allow the addition of the Clawiter Road Corridor. This grant will complement the FY 2011 grant of $614,000, previously approved by the City Council, for three major transportation corridors – Hesperian Boulevard, Tennyson Road, and Winton Avenue. The total project cost for the second phase of the project is $218,000.

BACKGROUND

On December 7, 2010, Council authorized the City Manager to execute a TFCA fund transfer agreement with the Alameda CTC and a Professional Services Agreement for a not to exceed amount of $100,000 with TJKM Transportation Consultants for traffic signal timing design services

for Phase 1 of the TFCA project. On July 26, 2011, Council approved purchase of the necessary hardware and software to implement the project, which is in the process of being ordered. Council also approved increasing the TJKM agreement by an additional $50,000 for signal retiming services. The Alameda CTC Board approved Phase 2 of the project on September 20, 2011; it includes the addition of Clawiter Road, a major north-south corridor, to the signal system.

DISCUSSION

The City previously received Transportation for Clean Air (TFCA) grant funding in the amount of $614,000 from the Bay Area Air Quality Management District, through the Alameda CTC, to upgrade all the signal controllers and retime the signals along three corridors: Hesperian Boulevard, Winton Avenue and Tennyson Road. On September 22, 2011, the City received approval from the Alameda CTC Board for another $190,000 of TFCA funds to implement Phase 2 of this project on Clawiter Road from Winton to Enterprise. Phase 2 will include the installation of new controllers and traffic control software and cameras similar to that being installed on the other three corridors and to the project approved by Council on July 26, 2011. As is the case with Phase 1, Phase 2 will be integrated with the City's Traffic Management Center being implemented as part of the Route 238 Corridor Improvement Project.

The transportation consulting firm of TJKM Associates prepared the design plans for Phase 1 of the current TFCA project. TJKM also prepared the grant application for Phase 2 of the project. Staff finds TJKM to be the firm most qualified to design Phase 2 of this project. TJKM has submitted a scope of work to the City; staff finds the scope and the cost to be reasonable. Staff requests that the City Council authorize the City Manager to execute an amendment to the existing professional services agreement with TJKM Transportation Consultants for project design in an amount not to exceed $40,000 for Phase 2, which would make the total contract amount with TJKM not to exceed $190,000. Work will include design and signal retiming.

Finally, in order for the City to receive the funds from the Alameda CTC, the City will need to execute a fund transfer agreement with the Alameda CTC. Staff recommends that Council authorize the City Manager to enter into this agreement.

FISCAL AND ECONOMIC IMPACT

This is a new project for which staff is requesting an appropriation in the Transportation System Management Fund for the Citywide Signal Timing and Controller Replacement Program Phase II project in the amount of $218,000, of which $190,000 will be reimbursable from the TFCA grant. The $18,000 of City funds needed to complete the project is already available in the Transportation System Improvement Fund; therefore, there will be no additional impact to the City's General Fund.

PUBLIC CONTACT

The Alameda CTC Board approved the City's application at a public meeting on September 13, 2011. Prior to construction of the project, public notices will be sent to businesses and residents that will be impacted by the construction work.

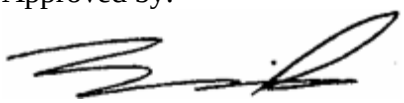
SCHEDULE

Project Kick-off	January 2012
Begin Design	February 2012
Complete Design	April 2012
Council Approval to Purchase Equipment	May 2012
Purchase Equipment	June 2012
Install Equipment	July 2012
Project Complete	October 2012

Prepared by: Morad Fakhrai, Deputy Director of Public Works

Recommended by: Robert A. Bauman, Director of Public Works

Approved by:



_____

Fran David, City Manager

Attachments: Attachment I: Resolution
Attachment II: Clawiter Corridor Map
Attachment III: Fund Transfer Agreement

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH TJKM TRANSPORTATION CONSULTANTS FOR TRAFFIC SIGNAL TIMING DESIGN SERVICES, AUTHORIZING THE CITY MANAGER TO EXECUTE A TRANSPORTATION FOR CLEAN AIR FUND TRANSFER AGREEMENT WITH THE ALAMEDA COUNTY TRANSPORTATION COMMISSION AND APPROPRIATING FUNDS.

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, the City of Hayward submitted a Transportation for Clean Air (TFCA) grant application for signal retiming and controller replacement along Clawiter Road; and

WHEREAS, the City's application for $190,000 has been approved by the Alameda County Transportation Commission; and

WHEREAS, the City plans to use these funds to replace traffic signal controllers, retime signals and install cameras along Clawiter Road; and

WHEREAS, this corridor will be incorporated into the Traffic Management Center that is being developed by TJKM as part of the Route 238 Corridor Improvement Project and a previously approved TFCA project for Hesperian Boulevard, Tennyson Road and Winton Avenue; and

WHEREAS, the transportation consulting firm of TJKM worked with the City on the successful grant applications; and

WHEREAS, TJKM has a unique knowledge and understanding of the relationship of this TFCA project to the Route 238 Corridor Improvement Project, and has presented to the City an acceptable proposal and scope of work for providing design services for the above stated project; and

WHEREAS, the City will need to execute a TFCA fund transfer agreement with the Alameda County Transportation Commission; and

WHEREAS, funds need to be appropriated in order to utilize these funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the City Council authorizes the City Manager to negotiate an amendment to the Professional Services Agreement with TJKM in an amount not to exceed $40,000.

BE IT FURTHER RESOLVED by the City Council that the City Manager is authorized to execute a TFCA fund transfer agreement with the Alameda County Transportation Commission.

BE IT FURTHER RESOLVED by the City Council appropriates $218,000 in the Transportation System Fund (420) for the Citywide Signal Timing and Controller Replacement Phase II Project.

IN COUNCIL, HAYWARD, CALIFORNIA December 20, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

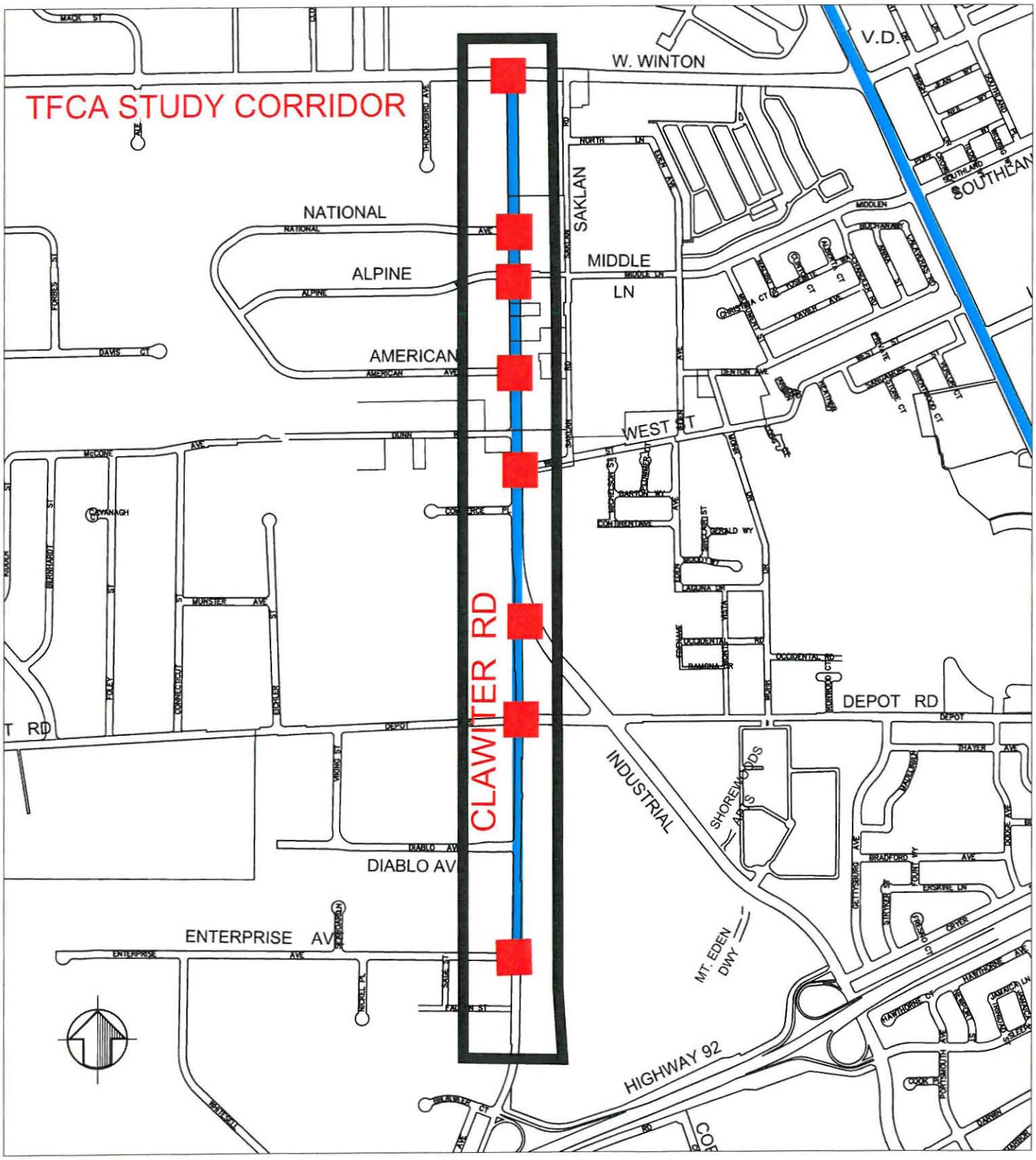
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward


TFCA STUDY CORRIDOR
W. WINTON
V.D.
NATIONAL
ALPINE
AMERICAN
SAKLAN
MIDDLE
LN
WEST ST
CLAWITER RD
DEPOT RD
INDUSTRIAL
SHOREWOODS APTS
DIABLO AV
ENTERPRISE AV
MT. EDEN DWY
HIGHWAY 92
SOUTHEAN

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
TRANSFER AGREEMENT
FY 2011/2012

This Agreement is entered into as of the latest date appearing on the signature page below, between the **ALAMEDA COUNTY TRANSPORTATION COMMISSION** (hereinafter "Alameda CTC"), and the **CITY OF HAYWARD** (hereinafter "Sponsor").

Section 1. PURPOSE OF AGREEMENT

The purpose of this Agreement and similar agreements with other project sponsors is to specify the terms and conditions for the advancement of funds made available from the Transportation Fund for Clean Air ("TFCA") Program for fiscal year 2011/2012. As TFCA Program Manager in Alameda County, the Alameda CTC annually programs 40% of the TFCA funds collected in Alameda County. The Alameda CTC will receive these funds from the Bay Area Air Quality Management District ("BAAQMD"), and will then reimburse these funds to project sponsors pursuant to this Agreement and similar agreements with other project sponsors.

Section 2. DESCRIPTION OF PROJECT

The Alameda CTC has programmed $190,000 of the funds available in the 2011/2012 Alameda County allocation of TFCA funds to the Sponsor to be used for the Clawiter Road Arterial Management ("Project"). The Project, along with Sponsor's proposed expenditure plan for the Project's implementation, is described in more detail in Appendix A attached hereto and incorporated herein by this reference.

Section 3. REIMBURSEMENT OF FUNDS

The Sponsor must submit to Alameda CTC at least one request for reimbursement under this Agreement each fiscal year until reimbursement is complete, and may submit multiple such requests no more frequently than once a month. Costs eligible for reimbursement must be consistent with the project scope as detailed in Attachment A. The Sponsor must complete a "Request for Reimbursement of Funds" in the form attached hereto as Appendix B, and provide documentation of funds spent for each request. In the event reimbursement requests are greater than available funds due to delays by BAAQMD, available funds will be reimbursed to project sponsors based on the percentage each sponsor's project bears to Alameda CTC's overall TFCA program total until such time full funding is available.

The Timely Use of Funds Policy, approved in its current version by the Alameda CTC Board at its March 2011 meeting, is included as Appendix C attached hereto and incorporated herein by this reference. Sponsor must expend all TFCA funds programmed to the Project within two (2) years from the date of the first receipt of funds by the Alameda CTC from BAAQMD, unless an extension has been approved by the Alameda CTC Board. Any funds spent on the Project by Sponsor after this date will not be eligible for reimbursement under this Agreement.

Section 4. DOCUMENTATION OF EXPENDITURES

As required by BAAQMD, Sponsor hereby agrees that it shall expend all funds received under this Agreement in accordance with all applicable provisions of law and shall return to the Alameda CTC all funds that are not expended in accordance with all applicable provisions of law.

Sponsor shall submit a report to the Alameda CTC within two (2) months of the end of each fiscal year which itemizes 1) the expenditure of funds on the Project, 2) progress to date in the implementation of the Project and any other projects funded by TFCA funds. Sponsor shall submit the results of the monitoring of the performance of the Project as specified in Section 5 within 3 months of project completion.

Sponsor shall maintain employee time sheets documenting hourly labor costs incurred in the implementation of the Project or request approval of an alternative method to document staff costs charged to the Project.

Sponsor shall, during the term of this agreement and for three (3) years following completion of the Project, allow BAAQMD staff, its authorized representatives, and its independent auditors to conduct performance and financial audits of the Project. During audits, the Sponsor will make available to BAAQMD in a timely manner all records relating to the Sponsor's expenses and performance of the Project. During inspections, the Sponsor will provide, at the request of BAAQMD, access to inspect the Project and related records.

Sponsor shall, during the term of this agreement and for five (5) years following completion of the Project, keep all financial and project implementation records necessary to demonstrate compliance with this Agreement. Such records shall include documentation that demonstrates significant progress has been made for projects for which extensions to the completion date are requested.

Sponsor shall use the Alameda CTC logo and BAAQMD's approved TFCA logo on 1) signs posted at the site of any construction associated with the Project, 2) any vehicles or equipment operated or obtained as part of the Project, and 3) any public information material related to the Project such as websites and printed materials, including transit schedules, brochures, handbooks, maps and other promotional material. Sponsor shall credit the Alameda CTC and BAAQMD as a funding source for the Project in any related articles, news releases or other publicity materials. Sponsor shall demonstrate to the Alameda CTC through evidence such as photographs of signs and vehicles and copies of print material, press releases and website postings, that the Alameda CTC's logo and BAAQMD's TFCA logos are used and displayed as required and that the Alameda CTC and BAAQMD have been credited as a funding source.

Sponsor shall, to the extent not otherwise prohibited by law, and to the extent required by the California Public Records Act (California Government Code section 6250 et seq.), place in the public domain any software, written document, or other product developed with funds received through this Agreement.

Sponsor shall return to the Alameda CTC any funds realized from the sale of any vehicle(s) purchased with TFCA funds, if following the date of purchase of the vehicle(s) such sale occurs prior to the last day of the last year listed as the project's "Years of Effectiveness" in Appendix A. The amount of funds returned to the Alameda CTC shall be proportional to the percentage of the TFCA funds originally used to purchase the vehicles.

Section 5. MONITORING REQUIREMENTS

Project No. 11ALA08, Clawiter Road Arterial Management.

Final Report Content: Final report content will be documented on Final Report Form 4, Arterial Management, attached hereto as Appendix E.

Section 6. INDEMNIFICATION

Sponsor shall indemnify, protect, defend and hold harmless BAAQMD and Alameda CTC, and their respective officers, employees, agents, representatives, and successors-in-interest, against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of Sponsor's performance of the Project or operation or use of the equipment that is subject to this Agreement. Alameda CTC shall indemnify, protect, defend and hold harmless Sponsor, its officers, employees, agents, representatives, and successors-in-interest, against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the negligent or reckless performance by Alameda CTC of its duties under this Agreement.

Section 7. NONDISCRIMINATION

During the performance of services under this Agreement, Sponsor and its consultants shall not discriminate against any persons or group of persons on the grounds of race, religious creed, color, national origin, age, ancestry, physical disability, medical condition, marital status, sex, sexual orientation, Vietnam Era Veteran's status, political affiliation or any other non-merit factor. Sponsor will comply with all applicable provisions of Executive Order 11246 as amended by Executive Order 11375 and as supplemented by Department of Labor regulations. Sponsor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment without regard to their race, religion, sex, color or national origin.

It is the policy of Alameda CTC to ensure nondiscrimination in the award and administration of federal and state-assisted contracts and to create a level playing field on which disadvantaged business enterprises, as defined in 49 C.F.R. Part 26, can compete fairly for contracts and subcontracts relating to Alameda CTC's procurement and professional services activities. In connection with the performance of this Agreement, Sponsor will cooperate with Alameda CTC in meeting these commitments and objectives.

Sponsor agrees to comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C.§ 2000 (d)) and the regulations of the Department of Transportation issued thereunder (49 C.F.R. Part 21).

Section 8. INSURANCE

Sponsor shall obtain and maintain throughout the term of this Agreement the insurance coverage specified by BAAQMD for each "Project Sponsor" in Appendix D ("Insurance Guidelines") attached hereto and by this reference incorporated herein. Further, Sponsor shall comply with all insurance requirements set forth in Appendix D, including the provision of adequate documentation of said insurance coverage to Alameda CTC prior to or concurrent with delivery of the fully-executed Agreement to Alameda CTC. Failure to obtain and maintain the insurance coverage and to comply with all insurance requirements shall be deemed a

breach of this Agreement. Notwithstanding the foregoing, with the prior written approval of the BAAQMD, Sponsor may obtain a waiver or modification of these insurance requirements.

Section 9. AMENDMENTS
This Agreement may not be modified except in writing, signed by both parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect. Any change in project scope shall constitute an amendment under this Agreement.

This Agreement is subject to any new requirements imposed by the BAAQMD upon the Alameda CTC with respect to TFCA funds.

Section 10. WAIVER
No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Agreement, and the failure of a party to exercise any rights or remedies hereunder, shall be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

Section 11. TERM
The term of this Agreement shall be from the date of this Agreement until the later of (i) Sponsor's receipt of full reimbursement for all eligible expenditures, subject to Section 3 above, and (ii) Sponsor's submittal of all required post-project monitoring reports. This Agreement shall also terminate at the end of any fiscal year during which Alameda CTC loses its designation as Program Manager for Alameda County, except as provided in Section 12.

Section 12. ASSIGNMENT OR TRANSFER
This AGREEMENT may not be assigned, transferred, hypothecated or pledged by any party without the express written consent of the other party, except as set forth in this AGREEMENT. This AGREEMENT shall be binding upon any successors or assigns of the parties hereto.

SPONSOR:

CITY OF HAYWARD

By: _____
Frances David Date
City Manager

_____:

By: _____
Miriam Lens Date
City Clerk

Approved as to Legal Form:

By: _____
Michael Lawson Date
City Attorney

ALAMEDA CTC:

ALAMEDA COUNTY TRANSPORTATION COMMISSION

By: _____
Arthur L. Dao Date
Executive Director

Recommended for Approval:

By: _____
Stewart D. Ng Date
Deputy Director of Programming and Projects

Reviewed as to Budget/Financial Controls:

By: _____
Patricia Reavey Date
Director of Finance

Approved as to Legal Form:

By: _____
Wendel, Rosen, Black & Dean LLP Date
ALAMEDA CTC Counsel

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

APPENDIX A:
PROJECT DESCRIPTION AND PROPOSED EXPENDITURE PLAN

Project Number: 11ALA08

Project Sponsor: City of Hayward

Project Title: Clawiter Road Arterial Management

TFCA Funds Allocated: $190,000

Total Project Cost: $218,000

Project Description:

This project is being implemented by the City of Hayward. The TFCA funds will be used to implement signal coordination along Clawiter Road between Winton Avenue and Breakwater Avenue. The project will upgrade signal controllers at 8 intersections and provide the last-mile signal interconnect between signals to enable communication between the TOC and the field elements. The existing controllers are ASC/2 controllers do not allow for the use of more modem traffic signal timing strategies. This project will allow proper clearance time to accommodate bicycles and pedestrian activities at the intersection.

Project Schedule:

Project costs incurred prior to July 5, 2011 are not eligible for reimbursement.

Estimated Start Date: September 2011

Final Report Due Date: Within 3 months of completion of the project, but no later than 3 months following the termination of the Agreement.

Project Monitoring Requirements:

Final Report: Form 4 – Arterial Management Projects

The Final Report form is included as Appendix E.

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

APPENDIX B:
REQUEST FOR REIMBURSEMENT OF FUNDS

[See Attached]

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

REQUEST FOR REIMBURSEMENT OF FUNDS
FY 2011/2012

Project Sponsor: _____ **Project ID:** -ALA-

Project Title: _____

	Total TFCA funds programmed to project:	$	
	Amount of funds requested for reimbursement:	$	
	Total of previous reimbursements:	$	
	Remaining balance after this reimbursement:	$	

To the best of my knowledge, the above information is true and correct and I am authorized to request this reimbursement of funds.

Name and Title: _____

Signature: _____ **Date:** _____

IMPORTANT!

Please attach supporting documentation for all items for which you are seeking reimbursement. Reimbursement requests with no or incomplete supporting documentation for all items, such as copies of invoices, copies of checks as proof of payment, or detailed timesheets as proof of incurred costs for labor, will be returned to the sponsor.

This section is to be completed by the Alameda CTC:

To be completed by Alameda CTC's program manager		To be completed by Alameda CTC accounting	
Project ID:	_____	**Amount Paid:**	_____
Date Approved:	_____	**Check Number:**	_____
Fund type (G/D):	_____	**Date Paid:**	_____
Amount:	_____	**Initials:**	_____
Initials:	_____		_____

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

APPENDIX C:
TIMELY USE OF FUNDS POLICY

The enabling legislation requires project sponsors to encumber and expend funds within two (2) years, unless a time extension has been granted. To ensure a timely use of funds, the following timelines will be imposed for each program year:

1. Within two (2) months of receipt of agreement from the Air District, the Alameda CTC will send out fund transfer agreements to each project sponsor. Project sponsors must execute a fund transfer agreement with the Alameda CTC within three (3) months of receipt of an agreement from the Alameda CTC. The executed fund transfer agreement must contain an expenditure plan for implementation of the project. If a funding agreement between the Alameda CTC and project sponsor is not executed within six months of the date BAAQMD executes a funding agreement with the Alameda CTC, the BAAQMD may reallocate the funding to another project.
2. Project sponsors must initiate implementation of a project within three (3) months of the date of receipt of the executed fund transfer agreement from the Alameda CTC, unless an extended schedule has been approved in advance by the Alameda CTC.
3. Funds must be expended within two (2) years from the date of the first receipt of funds by the Alameda CTC from the Air District. The Alameda CTC Board may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Additional schedule extension requests can only be granted with approval from the Air District.
4. Sponsors must submit requests for reimbursement at least once per fiscal year. Requests must be submitted within six months after the end of the fiscal year, defined as the period from July 1 to June 30. All final requests for reimbursement must be submitted no later than the date the final report is submitted.
5. Sponsors must submit semi-annual progress reports within the period established by the Air District.
6. Sponsors must submit required Final Project Reports within three (3) months of project completion or within three (3) months after the post-project evaluation period as established in the funding agreement.

Any sponsor that does not comply with any of the above requirements within the established time frames will be given written notice from the Alameda CTC that they have sixty (60) days in which to comply. Failure to comply within sixty (60) days will result in the reprogramming of the funds allocated to that project, and the project sponsor will not be permitted to apply for new projects until the sponsor has demonstrated to the Alameda CTC that steps have been taken to avoid future violations of this policy.

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

APPENDIX D:
INSURANCE GUIDELINES

[See Attached]

Note: The following APPENDIX D is a copy of *Appendix E: Insurance Guidelines* from BAAQMD's TFCA County Program Manager Fund Expenditure Plan Guidance, Fiscal Year 2011/2012. As incorporated into this Agreement, (i) the term "Air District" in the attached shall be deemed to mean and refer to BAAQMD, (ii) "Program Manager" shall be deemed to mean and refer to Alameda CTC, and (iii) "Project Sponsor" shall be deemed to mean and refer to Sponsor.

APPENDIX E

INSURANCE GUIDELINES

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA Program Manager Fund projects. Note that the Air District reserves the right to specify different types or levels of insurance in the funding agreement.

The typical funding agreement requires that each Project Sponsor provide documentation showing that the Project Sponsor meets the following requirements for each of its projects. The Program Manager is not required to meet these requirements itself, unless it is acting as a project sponsor.

1. **Liability Insurance:**

   Corporations and Public Entities - a limit of not less than $1,000,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

   Single Vehicle Owners - a limit of not less than $750,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

2. **Property Insurance:**

   New Equipment Purchases - an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

   Retrofit Projects - 2003 model year vehicles or engines or newer in an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

3. **Workers Compensation Insurance:**

   Construction projects – including but not limited to bike/pedestrian paths, bike lanes, smart growth and vehicle infrastructure, as required by California law and employers insurance with a limit not less than $1 million.

4. **Acceptability Of Insurers:**

   Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.

The following table lists the type of insurance coverage generally required for each project type. The requirements may differ in specific cases. Program Managers should contact the Air District liaison with questions, especially about unusual projects.

County Program Manager Fund Contract Activity	Insurance Required
Vehicle Purchase	Automobile Liability and Automobile Physical Damage
Engine Repowers/Retrofits	Automobile Liability and Automobile Physical Damage
Operation of shuttle from transit hubs	Commercial General Liability, Automobile Liability and Automobile Physical Damage
Transit pass subsidy or commute incentives	None
Transit Marketing Program	Commercial General Liability
Guaranteed Ride Home Program	None
Bicycle lockers and racks.	Commercial General Liability
Constructing bike/pedestrian path or overpass, bike lane, or smart growth or vehicle infrastructure	Commercial General Liability, Automobile Liability and Workers Compensation
Signal timing	Commercial General Liability

ALAMEDA COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROGRAM

APPENDIX E:
FINAL REPORT FORM

[See Attached]

FINAL REPORT FORM 4
(Formerly titled "Project Monitoring Form 4 - Arterial Management Projects")

For Arterial Management Projects

TFCA Project # _____ Initial TFCA $ Awarded: $_____

Total TFCA $ Awarded: $_____

Total TFCA Funds Expended: $_____

Total Project Cost: $_____

Project Sponsor:_____

Project Title:_____

Contact:_____

Phone: _____ E-mail: _____

Initial Project Start Date:_____ Project Completion Date:_____

Program Manager to Complete: *Final Cost-Effectiveness Value: $_____/ton (weighted)*

Complete the section(s) that applies to the type of project implemented. Use additional sheets as needed.

1. **Project Description:** Provide a brief description of the project implemented. Include all applicable information if the scope of the project changed in any way since it was originally approved.

2. **Arterial Signal Timing Projects:** *Complete a separate table for each arterial included in the project.*

Provide information for both directions of traffic (e.g., N&S) using a separate line for each direction. Measure vehicle speed and traffic volume concurrently. Pre-project data submitted shall be gathered within three months prior to construction. The post-project data submitted shall be gathered within three months after project completion.

***Note: The 2-year post project data (23 to 25 months after the construction of the project) is only required for projects that received four years of effectiveness at the time of project approval.**

Provide a list of (or attach a map showing) locations of re-timed traffic signals within the segment.

Arterial/Segment:_____

Length (nearest 0.1 mi.)_____

Data Collection	Time Period	Direction of Traffic	Days/Year Effective	Traffic Volume in Period	Average Vehicle Speed for Period
Pre-Project					
Pre-Project					
Post-Project					
Post-Project					
*2-yr Post-Project					
*2-yr Post-Project					

3. Transit Bus Traffic Signal Prioritization Projects: *Complete 3A – 3C.*

A. Provide the following information, using a separate column for each bus route that benefited from the project.

Route Number or Segment of Roadway (Use a separate column for each)	#1 ____	#2 ____	#3 ____
Distance of bus route (one-way)			
Days per year of service			
# Runs per day (one-way) with and \ without project	\	\	\
Average bus speed with and \ without project	\	\	\
Average passengers per run with and \ without project	\	\	\
% of passengers that previously drove alone			

B. Provide list (or attach map) showing locations of traffic signals where transit signal prioritization systems were installed. Indicate where other improvements were made to the arterial to improve transit speeds (e.g., bus bulbs, queue lanes).

C. The sponsor is encouraged to provide any additional information that helps document the impact of the project on bus ridership.

4. Other Requirements: *Attach any other information that is required in the agreement.*

5. Certification:

a. Project Sponsor:

I _____(print name), certify that the information provided is complete and correct.

_____(Signature)
Project Sponsor

b. Program Manager (Alameda CTC):

I _____(print name), to the best of my knowledge, certify that the information provided is complete and correct.

_____(Signature)
Program Manager Liaison

____ Yes, a copy of the Final Cost-effective Worksheet is attached.

CITY OF
HAYWARD
HEART OF THE BAY

5

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Assistant City Manager/Interim Redevelopment Agency Director

SUBJECT: Assignment and Assumption of Cinema Place First Amended Ground Lease and Related Documents from Hayward Cinema Place, LLC to Levy Affiliated Holdings, LLC or a Related Entity Pertaining to the Cinema Place Project

RECOMMENDATION

That the City Council adopts the attached resolution approving the assignment of the Cinema Place First Amended Ground Lease, from Hayward Cinema Place, LLC to Levy Affiliated Holdings, LLC or a related entity and authorizing the City Manager to negotiate and execute all documents necessary to effectuate the assignment.

BACKGROUND

The Hayward Redevelopment Agency first entered into a Disposition and Development Agreement (DDA) and Ground Lease with Hayward Cinema Place, LLC (HCP) in August 2004 in order to provide for the redevelopment of the Agency-owned property, located on Foothill Boulevard between B and C Streets in downtown Hayward, with an entertainment-oriented retail center, including a multi-screen movie theater, restaurant/retail space, and a parking garage. The DDA and Ground Lease were amended twice, and subsequent to the approval of the second DDA amendment, the Agency executed two Implementation Agreements.

The Cinema Place project was developed as an entertainment destination in downtown Hayward anchored by a twelve-screen Century Theatres multiplex and the project offers 12,000 square feet of ground floor restaurant and retail shop space with frontage on B Street, plus a second floor restaurant space The project also included a new parking structure with 237 parking spaces.

The financing of the retail center included the following contributions from the Agency: acquisition of the site in 2002 for approximately $3.5 million; construction of the adjacent 244-space public parking garage in 2007 at a cost of approximately $7 million; environmental remediation of the site under the direction of the State Regional Water Quality Control Board (approximately $820,000); and a $1.5 million site preparation and improvement loan to the developer. The developer has contributed approximately $4 million in project “equity” funding and obtained a construction loan of approximately $11 million, of which approximately $8.5 million has been funded to date.

The retail center began construction in August 2007 and was substantially completed by August 2008. The twelve-screen Century Theatre opened in October 2008. In addition to the theatre, two retail/restaurant spaces have been leased and are now open: Wing Stop and Kokyo Sushi Buffet. A third tenant, Zuckersus Yogurt, subsequently closed due to an inadequate business model. The addition of Kokyo Sushi Buffet has been a great asset to Cinema Place, resulting in an increase in customers to the theatre and downtown. The theatre operators recently noted that the parking garage is filled to capacity on weekends. The success of the Kokyo Sushi Buffet has had a positive impact on leasing efforts as well. The real estate broker for the property has been working with several potential restaurant tenants interested in the ground floor spaces at the site. In addition, the Hayward Arts Council has opened a gallery in one of the vacant retail spaces to provide for additional activity and vitality on that section of B Street. Staff continues to work closely with HCP and the Cinema Place real estate broker, Colliers International, to fill the remaining available retail spaces.

Leasing retail spaces at Cinema Place has been faced with numerous challenges, including: higher proposed rents in a low rent environment; marketing the project with project vacancies and vacancies in the downtown; existing low levels of foot-traffic in a cautious business environment; and HCP's limited funds available for tenant improvements, despite their willingness to provide generous rent concessions. However, the biggest challenge to the project was the collapse of the financial markets making it difficult for business owners interested in Cinema Place to access capital for business development, tenant improvements, and/or expansions. Early in the project, two tenants with fully executed leases had to withdraw due to franchise issues and lack of capital. HCP has worked with three different brokerage firms to overcome leasing challenges and market conditions.

The Agency and HCP have worked collaboratively to keep the project financially feasible. In June 2009, the Agency Board authorized the Executive Director to negotiate and execute several documents that allowed HCP to restructure its construction loan agreement with Redwood Capital Finance in order to allow remaining amounts of the original $11 million construction loan to be funded, and to allow continued operation of the property. This direction resulted in the execution of the Second Implementation Agreement in June 2009. In addition to the restructuring of the construction loan, this agreement also addressed prevailing wage complaints filed in late 2008. HCP included language in the Second Implementation Agreement that addressed the prevailing wage issues and released the Agency from liability in these matters.

In March 2011, the Agency Board adopted a resolution making required findings under Health and Safety Code Section 33430 to allow the conveyance of twenty parcels to the City, including the two Cinema Place parcels. However, at that time, the Agency Board did not assign any of the associated agreements for the Cinema Place project to the City. On May 3, 2011, the Agency Board first took action to assign the First Amended Ground Lease to the City to ensure consistency with the action to convey the properties to the City and then the Council approved the Second Amendment of Lease between Hayward Cinema Place, LLC and Century Theatres, Inc. This action allowed HCP to recapitalize the Project, putting it on more solid financial footing and stabilizing the Century Theatres tenancy.

DISCUSSION

In early 2011, HCP offered the Cinema Place property for sale. On August 17, 2011, Levy Affiliated Holdings, LLC (Levy Affiliated) of Santa Monica, California submitted an offer to purchase the Cinema Place property. Section 13.1 of the First Amended Ground Lease requires the Agency's written consent prior to assignment of the interest in the Lease. Since the Agency has assigned the Ground Lease to the City, the City must now provide consent for HCP to assign their interest in the Ground Lease. There are some other general provisions in this section of the lease but most notably, the assignee should have a financial net worth that is reasonably acceptable to the Landlord (now the City).

Staff requested comprehensive financial statements from Levy Affiliated in order to assess their financial net worth and ability to effectively assume the responsibilities of the Ground Lease. Based on a review of the information submitted, staff has determined that Levy Affiliated meets the threshold of having a reasonably acceptable financial net worth, and recommends that the Council assign the Ground Lease to Levy Affiliated or a related entity. The related entity could potentially be a single purpose entity formed specifically to own, operate and manage the Cinema Place property. Staff understands that Levy Affiliated has not yet decided whether they will form said single purpose entity. It is common practice in the real estate industry to form single purpose entities for specific projects. The remainder of this section provides an overview and analysis of Levy Affiliated's background and wherewithal for assuming the Cinema Place Ground Lease.

Levy Affiliated's website provides the following company overview: "Levy Affiliated is a real estate investment firm that acquires and manages assets throughout the United States…Levy Affiliated was founded by Shaoul J. Levy. Over the last 15 years, Levy Affiliated has sourced, negotiated and executed 75 transitions totaling nearly $630 million across various property types and financing structures. The Company's current portfolio of 41 properties has an estimated market value of over $500 million, contains a mix of retail centers, office buildings and apartment complexes, ranging from Hawaii to North Carolina, but largely concentrated in Southern California." (http://levyaffiliated.com)

Levy Affiliated Background

Levy Affiliated has significant experience in revitalizing distressed properties. Three projects that best demonstrate their success in project "turn-around" include the following:

- The Bank of America Building, Whittier, California: a mixed-use office and retail property acquired in 1988 with 50% occupancy; today the property is 90% occupied. The property is a landmark in Uptown Whittier and is listed on the National Register of Historic Places.
- Shops At 2nd & Central: 36,000 square foot retail property located on 2.2 acres in the Little Tokyo District of downtown Los Angeles. Noted on their website, "The property was acquired as vacant land in 1999 from a cash-constrained investor. Construction was completed in 2001 and nearly 75% of the property was pre-leased. The property is currently fully-occupied …"

- Bella Terra: 84,000 square foot retail complex situation on five acres in Lodi, California. When acquired in 2007, the property was 70% vacant; Levy Affiliated invested over 2 million dollars into the property, which today is fully leased.

Staff received positive input from City of Lodi staff regarding the positive result of Levy Affiliated efforts in revitalizing the property by finishing the improvements, addressing code issues, and aggressive marketing. Attachment I contains a complete list of properties owned and managed by Levy Affiliated.

Levy Financial Capacity to Invest in Cinema Place & Management and Leasing Capacity

Levy Affiliated has the necessary capital to invest in the Cinema Place property based on an assessment of their financial statements. They have committed to investing $200,000-$250,000 (or about $40 per square foot for vacant spaces) to make the spaces more "tenant ready." In addition, they have indicated a willingness to invest $10-$20 per square foot for tenant improvements and more as required for larger restaurants. These figures are based on contractor estimates of improvement costs and the total potential investment would be between $40-50 per square foot. In addition, Levy Affiliated is prepared to make contributions toward the costs of water/sewer connection fees, which have been perceived as a disincentive to some prospective tenants. By comparison, HCP, which had already exhausted the ability to invest further in the project, offered prospective tenants approximately $15 per square foot. The additional infusion of capital will be an important ingredient in the future success of project. See attached correspondence from Mr. Shaoul Levy, Founder and Partner of Levy Affiliated, regarding their commitment and consent to the assignment of the Ground Lease (Attachment II).

Levy Affiliated has retained Jim McMasters and Anna Winters of Collier International, the current brokers working on behalf of HCP. They will work with Levy Affiliate's in-house retail specialist, Jonathan Kohn, to implement a lease up program for the property. Mr. McMaster and Ms. Winters have also reached out to other B Street building owners with vacancies to develop collaborative marketing strategies.

The future success of the Cinema Place project requires a fresh infusion of cash, which Levy Affiliated has committed to invest in the project in order to fill the vacant spaces. Both HCP and the Agency have significant investments in the project and no additional funds available to ensure the project's future success. Levy Affiliated is purchasing the property under the terms and conditions of a "short-sale," making it possible for them to invest in the property and offer incentives to tenants not previously available to HCP who had much higher loan obligations.

Levy Affiliated may by necessity be required to reduce rents significantly in order to fill vacancies; this could be a possible concern for the City if tenants do not represent the tenant mix most desired for the project. One safeguard against this is that the Ground Lease permits the City to approve initial tenants. One additional concern is that Levy Affiliated has not managed a property where the key anchor is a theatre operator. However, if they are successful in filling the other vacancies in short-order, then these efforts will contribute to the on-going success and vitality of Century Theatres.

Levy Affiliated has demonstrated experience in turning around "distressed" properties, and has the necessary capital to invest in the property. They also have the local capacity of the Collier International brokerage team, who is familiar with the project and downtown conditions, and have explored partnerships with downtown building owners to develop mutually advantageous marketing strategies.

FISCAL AND ECONOMIC IMPACT

The acquisition of the Cinema Place project helps avert a potential foreclosure of the HCP loans to investors and a default on the Ground Lease and Parking Agreement. The assignment of the Ground Lease and Parking Agreement helps to stabilize the Project and does not negatively impact the ability of the City to receive participation payments as outlined in the 2007 DDA above and beyond repayment concerns highlighted in prior reports to the Agency Board and Council. The repayment of the Agency's $1.5 million contribution/loan (Site Preparation Note) was predicated on a sale of the development for a price of $24 million by August 2012. The repayment of this original investment was considered "uncertain" in 2007 at the time of the original project approval. In 2009, the Agency amended the original terms of the $1.5 million Site Preparation Note to extend the sale threshold date to April 2014. The $24 million sales price threshold was left unchanged by that amendment.

However, given the change in economic conditions from the time of the original 2007 DDA approval and this "short-sale" of the property, it is unlikely the value of the project would reach the threshold value of $24 million by April 2014. However, the sale of the property to a company with the resources to invest in securing tenants will help the long-term financial viability of this project as an entertainment anchor in the City's downtown.

PUBLIC CONTACT

Not applicable.

Prepared by: Gloria Ortega, Redevelopment Project Manger

Recommended by: Kelly McAdoo Morariu, Assistant City Manager/Interim Redevelopment Agency Director

Approved by:

_____

Fran David, City Manager

Attachment:

Attachment I: Levy Affiliated Commercial Real Estate Holdings

Attachment II:	December 12, 2011 Correspondence from Shaoul Levy
Attachment III:	Resolution Approving the Assignment and Assumption of Cinema Place First Amended Ground Lease and Related Documents from Hayward Cinema Place, LLC to Levy Affiliated Holdings, LLC or a related entity

RETAIL PROPERTIES

296 PALM CANYON
Palm Springs, CA

501 VINCENT
West Covina, CA

AMADO CENTER
Palm Springs, CA

ANGELUS GRAND
Los Angeles, CA

BARSTOW OUTLETS
Barstow, CA

BELLA TERRA
Lodi, CA

CARSON TOWN CENTER
Carson, CA

CENTRAL PLAZA
Ventura, CA

ENCINO COURTYARD
Encino, CA

GAREY PLACE
Pomona, CA

HERMOSA PAVILION
Hermosa Beach, CA

IMPERIAL PLAZA
Inglewood, CA

MANOA MARKETPLACE
Honolulu, HI

METROPLACE
Santa Ana, CA

NATIONAL & OVERLAND
Los Angeles, CA

PALMDALE PLACE
Palmdale, CA

RANCHO DEL CHINO
Chino, CA

RITE AID AT SUNSET & FAIRFAX
Los Angeles, CA

SADDLEBACK PLAZA
Orange, CA

SHOPS AT 2ND & CENTRAL
Los Angeles, CA

SUNSET GALLERIA
Los Angeles, CA

SUNSET LA BREA PLAZA
Los Angeles, CA

THE PALACE THEATRE
Cornelius, NC

WESTERN PLAZA
Los Angeles, CA

WESTSIDE PLAZA
Los Angeles, CA

OFFICE PROPERTIES

100 NORTH BRAND
Glendale, CA

201 WILSHIRE
Santa Monica, CA

501 COLORADO
Santa Monica, CA

1920 COLORADO
Santa Monica, CA

5000 SUNSET
Los Angeles, CA

19066 MAGNOLIA
Huntington Beach, CA

23330 MOULTON PARKWAY
Laguna Hills, CA

BANK OF AMERICA BUILDING
Whittier, CA

FRANKLIN COVEY
Salt Lake Utah, UT

SOLD OFFICE

20 S. ANAHEIM BLVD.

600 N. BRAND BLVD.

1236 N. MAGNOLIA AVE.

818 W. ALONDRA BLVD.

8311 E. FLORENCE AVE.

5707 S. ALAMEDA ST.

MULTI-FAMILY PROPERTIES

BROADWAY PLAZA
Santa Monica, CA

CASA MADRID
Lakewood, CA

COVENTRY PLACE
Bakersfield, CA

FOUNTAIN CREEK VILLAGE
Canoga Park, CA

GARDEN MANOR
Oakland, CA

HAMILTON APARTMENTS
San Diego, CA

SOLD MULTI-FAMILY

RIDGECREST VILLAGE

SIERRA GARDENS

KENTON PLACE

DOBSON BAY

Attachment I

LEVY
AFFILIATED HOLDINGS, LLC

201 WILSHIRE BOULEVARD
SUITE A28
SANTA MONICA, CA 90401
TEL: (310) 395-5200
FAX: (310) 917-1101

December 12, 2011

Kelly Morariu
Assistant City Manager
Hayward Redevelopment Agency
777 B Street
Hayward, Ca 94541-5007

Sent Via Electronic Mail

RE: Consent to Assignment of Cinema Place Ground Lease

Dear Ms. Morariu:

As a follow-up to our conversation on Friday with Gloria and our earlier letters regarding our proposed assignment of the ground lease for Cinema Place.

I believe you are comfortable with us and our experience based on earlier communications. As you know we have extensive experience re-tenanting retail buildings, with the vast majority of our $500 million portfolio comprised of shopping centers. Within the last two years alone, we acquired over 350,000 sq ft of retail space, the majority of which was vacant and required additional capital expenditures to fund landlord construction and tenant improvements.

Similarly, Levy Affiliated is committed to investing the necessary capital into Cinema Place to bring the vacant retail space into a more tenant ready vanilla shell. We estimate these costs to be anywhere from $200,000-$250,000 (or about $40 psf for the vacant spaces). In addition, we have estimated that the market standard tenant improvements for tenants may range from $10-20/sf, though we are willing to increase this amount for a larger sit down restaurant. While we do not have any limitations of a specific budget and the capital available to fund as needed, we expect in total a cost of half a million or more to be invested in the project.

Levy Affiliated has acquired and self-managed properties from Hawaii to North Carolina. The management of Cinema Place will be handled in-house by our experienced asset management team with direct oversight by the firm's two managing partners. We already have multiple assets in the Bay Area and have completed significant redevelopment projects in that area, which I detail more below. Leasing for the project will be directed by our in-house retail specialist, Jonathan Kohn, who will work closely with Jim McMasters and Anna Winters of Colliers International to implement our lease up program. Jim and Anna have already started to contact tenants in the marketplace on our behalf.

Our team has extensive experience working closely with cities to reposition and reinvigorate underutilized projects. I want to stress a recent example of an investment I made in Lodi as a testament to our commitment to invest in areas and assets we believe in, as we do with Hayward. I acquired an 84,000 square foot retail complex situated on 5 acres in Lodi, California in 2007 for redevelopment. Despite as the real estate market substantially declined through 2008 and 2009, our firm continued in our commitment to reposition Bella Terra Shopping Center and investing in the property. I am proud to report that this property is now near full occupancy and is one of the nicest properties in the market. The project has received numerous accolades such as a Certificate of Recognition from the State Senate, Lodi City Council and Chamber of Commerce.

Please do not hesitate to contact me if you want any more information.

Regards,

Shaoul Levy

ATTACHMENT III

HAYWARD CITY COUNCIL

RESOLUTION NO.

Introduced by Council Member

RESOLUTION APPROVING THE ASSIGNMENT AND ASSUMPTION OF THE FIRST AMENDED GROUND LEASE, AS AMENDED, AND RELATED DOCUMENTS FOR THE CINEMA PLACE PROJECT FROM HAYWARD CINEMA PLACE, LLC TO LEVY AFFILIATED HOLDINGS, LLC OR A RELATED ENTITY

WHEREAS, the City of Hayward is the lessor and Hayward Cinema Place, LLC is the lessee of the Cinema Place project pursuant to a First Amended Ground Lease, dated July 11, 2007, as amended; and

WHEREAS, Hayward Cinema Place, LLC seeks the City's approval to assign its interest in the Cinema Place project to Levy Affiliated Holdings, LLC or a related entity; and

WHEREAS, the City Council of the City of Hayward finds that Levy Affiliated Holdings, LLC possesses the requisite qualifications to assume the obligations of Hayward Cinema Place, LLC, under the terms of said ground lease.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves the assignment and assumption of that certain First Amended Ground Lease, dated July 11, 2007, as amended, and related documents pertaining to the Cinema Place project, from Hayward Cinema Place, LLC to Levy Affiliated Holdings, LLC or a related entity and authorizes the City Manager to negotiate and execute all documents necessary to effectuate the assignment, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA_____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:
MAYOR:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

_____

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

CITY OF
HAYWARD
HEART OF THE BAY

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Chief of Police

SUBJECT: Supplemental Appropriation of Forfeitures Funding

RECOMMENDATION

That Council adopts the attached resolution authorizing a $195,000 supplemental appropriation of available Narcotics Asset Forfeiture funding in support of the replacement of failing safety equipment.

BACKGROUND

In June 2005, the City Council authorized the purchase of 95 Electronic Control Devices (ECD's) for the Police Department from the Risk Management Liability Fund for $105,000. The FY 2012 budget appropriated $40,350 for the purpose of incrementally replacing the Department's aging ECD inventory.

In a letter dated October 12, 2011, the City received notification of a pending asset forfeitures distribution of $474,364 from the Department of the Treasury. This is twenty-five percent of the currency seized on December 12, 2006, when Hayward Police assisted in a joint Internal Revenue Service/Drug Enforcement Agency enforcement action at the Hayward Hempery.

DISCUSSION

The Department currently owns 110 TASER model X26 Electronic Control Devises (ECD). They are all out of warranty and are failing regularly. The cost of repairing a broken X26 ranges from $600 to $700.

The manufacturer, TASER International, is now selling a significantly improved model called the X2. The upgraded features on the model X2 enhance both safety and accountability. The Department had already decided to incrementally migrate to the X2 platform before notification of the asset forfeitures distribution.

TASER International is offering a $300 per-unit trade-in rebate on the purchase of model X2's. This offer expires on December 31, 2011. In combination, this unexpected asset forfeitures

funding and the manufacturer's rebate provides an opportunity to realize the following positive outcomes:

1. Save $33,000 on this unavoidable ECD replacement expense.
2. Replace all the X26's simultaneously promoting consistent training on a single platform and avoiding any potential for confusion by the users.
3. Purchase fifty additional units to allow ECD's to be individually assigned and eliminate the Department's current practice of sharing units and allocating out at each shift. This will increase personal accountability and reduce maintenance issues.

Electronic Control Devices are patented technology owned by TASER International. There is no similar device on the market. In anticipation of the approval of this funding recommendation, the City Manager has authorized a sole source acquisition.

ECONOMIC IMPACT

None

FISCAL IMPACT

The use of asset forfeiture distributions is strictly regulated by the Federal Equitable Sharing Guidelines and is audited annually. Among the many prohibitions is any suggestion that the funding is being used to supplant existing funding. Violations result in exclusion from sharing in all future distributions. If approved, this $195,000 will supplement the currently appropriated $40,350 for a total purchase budget of $235,350.

The approval of this recommendation will:

1. Be in full compliance with the Federal Equitable Sharing Guidelines;
2. Allow the City to realize an extra $25,000 in rebate savings that will otherwise be forgone (83 additional units will be purchased within the rebate period);
3. Reprogram the approximately $204,000 scheduled for appropriation in future CIP budgets to other unfunded equipment replacement needs, which dollars would otherwise be needed for a four-year ECD replacement cycle;
4. Avoid repairing an unknown number of failing X26's at "near replacement" cost that would be required in a phased implementation plan; newly purchased ECD's will be fully warrantied for five years; and
5. Avoid the risk management issues associated with training and maintaining the two different models simultaneously.

PUBLIC CONTACT

None

NEXT STEPS

Should this recommendation be approved, a purchase order will be established with TASER International's exclusive regional retailer prior to December 31, 2011.

Prepared by: Bob Davis, Administrative Analyst III

Recommended by: Diane E. Urban, Chief of Police

Approved by:

Fran David, City Manager

Attachments:

Attachment I Resolution

ATTACHMENT I

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION AMENDING RESOLUTION NO. 11-092 BUDGET RESOLUTION FOR FISCAL YEAR 2012, AS AMENDED, AUTHORIZING AN ADDITIONAL APPROPRIATION OF NARCOTICS ASSET FORFEITURE FUNDS TO ACQUIRE PUBLIC SAFETY EQUIPMENT

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 11-092, Budget Resolution for Fiscal Year 2012, as amended, is hereby amended by approving an additional appropriation of $195,000 from the Narcotics Asset Forfeiture Fund 272 balance to Account No. 272-1834-8110 for the acquisition of Public Safety electronic control device equipment.

IN COUNCIL, HAYWARD, CALIFORNIA____December 20___, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

CITY OF
HAYWARD
HEART OF THE BAY

_____7___

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Request for a Zone Change from High Density Residential District to General Commercial District, Repeal the Mission Corridor Special Design Overlay District, and Site Plan Review Associated with a Proposed Renovation of the Toyota Dealership

Zone Change Application PL-2011-0283 / Text Amendment Application PL-2011-0348 / Site Plan Review Application PL-2011-0215 – Stantec, Larry Tidball (Applicant) / Auto Mission Ltd. (Owner) – The Properties to be Rezoned are 24690 Through 24710 O'Neil Avenue, the Mission Corridor Special Design Overlay District Encompasses the Mission Boulevard Corridor Between Jackson Street and Harder Road

RECOMMENDATION

That the City Council:

1. Adopts the attached resolution (Attachment I) adopting the Negative Declaration (ND) (Attachment VIII) and the Site Plan Review to expand and remodel the Toyota automobile dealership, subject to the attached conditions of approval; and
2. Introduces the attached two ordinances approving:
    a. A Zone Change for three parcels fronting O'Neil Avenue from High Density Residential (RH) District to General Commercial (CG) District (Attachment II); and
    b. A Zoning Ordinance Text Amendment to repeal the Mission Corridor Special Design Overlay (SD-2) District (Attachment III).

SUMMARY

Staff is supportive of the proposed project, as conditioned, because it would help facilitate expansion and success of a valued automobile dealership that provides fiscal benefit to the City, while minimizing impacts to adjacent properties. Also, removal of the special design overlay district, which is anticipated to occur in approximately one year with adoption of the Mission Boulevard Form-Based Code, would allow businesses along this portion of Mission Boulevard wishing to expand or remodel more flexibility in design. Such flexibility would assist in attracting new businesses and promoting existing businesses, offering residents a greater variety

of retail choices in this portion of the City. The City's site plan review process will ensure that future projects would be well designed and compatible with surrounding uses.

Planning Commission Action: At its meeting of November 17, 2011, the Planning Commission voted 6-0-1, with one absent, to recommend that the City Council approve the project. The Commissioners commented that the remodel and expansion of the dealership would benefit the City, beautify the area, and serve as a guide to future development in the area. They pointed out that the project would improve the neighborhood appearance and remove the delivery of cars from occurring on O'Neil Avenue, which is where the vehicles are currently unloaded. No public testimony opposing the project was received during the Planning Commission hearing.

BACKGROUND

The Toyota dealership has two street frontages as the lot extends from Mission Boulevard to O'Neil Avenue. It includes six separate parcels that would be required to be merged with this proposal. It is a flat parcel that has a slight slope towards the southwest corner of the property.

The existing automobile showroom office and two supporting maintenance and repair buildings were originally constructed for Chrysler in 1969 as a primary use on the portions of the property that are in the General Commercial Zoning District. The Toyota dealership moved to the site in 1991 and has been operating within the original buildings. According to City aerial photos, sometime between 2006 and 2009, auto display parking expanded onto one of the residential properties that are involved in the current proposed zone change. The other two properties proposed for the zone change have vacant boarded-up structures consisting of three dilapidated detached single-family homes and one duplex that would be deconstructed and replaced with display parking (refer to Attachment V). The existing structures have no historical significance.

There are commercial uses to the east, across Mission Boulevard, and to the north and south of the property along Mission Boulevard. There are multi-family uses to the west, across O'Neil Avenue, and to the north and south of the property along O'Neil Avenue.

DISCUSSION

Project Description - The applicant proposes to expand the Toyota dealership site to include three properties to the northeast of the existing dealership that are currently zoned High Density Residential (refer to Attachment V). The expansion would create more automobile display parking and allow for the addition of a carwash building that would be installed for the exclusive, non-public use by the Toyota dealership. To expand the auto dealership onto these properties, the applicant is requesting that they be rezoned to General Commercial, to match the zoning of the rest of the property.

The applicant is also proposing to remodel the existing buildings on the Toyota dealership site with a modernist architectural design that would not be in keeping with the Mission Corridor Special Design Overlay District, which requires a Spanish ranch or California mission theme. To allow for the proposed design, the applicant has submitted a text amendment application requesting that the Mission Corridor Special Design Overlay District be repealed for this property.

While automobile dealerships are a primary use in the General Commercial District, the review process would ensure that the proposed use would meet the purpose of the site plan review as defined in Section 10-1.305 of the Zoning Ordinance, which states "Site plan review is aimed at fostering development and the establishment of uses which take into account on-site and surrounding structures and uses which contribute to an attractive City, physical and environmental constraints, and traffic circulation, so that the new development is accomplished in an orderly manner, complies with the of City development policies and regulations, and is operated in a manner determined to be acceptable and compatible with surrounding development."

Zone Change - The approval of a zone change is needed to allow the three underutilized residential properties that are zoned High Density Residential (located to the northwest of the existing Toyota dealership) to be utilized for commercial use (refer to Attachment V). Changing the zoning to General Commercial (CG) District would be consistent with the zoning of the properties that currently support the dealership. The CG zoning would allow the properties to be used for additional display parking, create a better circulation area, and allow for the construction of the proposed carwash facility.

The largest of the three properties is a 0.6-acre parcel that is currently used for display parking. The other two properties combined are about 0.4 acre in size and consist of boarded-up, vacant multi-family dwellings that are proposed to be deconstructed. The properties where the proposed rezoning is proposed have a General Plan designation of Commercial/High Density Residential. The proposed CG zoning is consistent with this General Plan designation.

Additional traffic to the Toyota dealership as a result of the expansion and remodeling would be minimal as the expansion comprises an additional display area and the construction of a carwash facility. The carwash facility would not be open to the public and would only be used to service the automobiles sold at the dealership. All traffic created by the carwash would occur on-site.

A sound study was performed by Colia Acoustical Consultants dated September 13, 2011, which concluded that, with the installation of a Noise Reduction Package on the dryer unit in the carwash, the noise generated from the carwash would reach a maximum of 69.6 decibels at the O'Neil Avenue property line (back of sidewalk). The City's Noise Ordinance allows 70 decibels at the property line between the hours of 7:00 a.m. and 9:00 p.m. within a residential area. A recommended condition of approval would require the use of the Noise Reduction Package and would limit the operation of the carwash between the hours of 7:00 a.m. and 9:00 p.m. (refer to Recommended Conditions of Approval 9 a and b in Attachment VII). Therefore, the carwash facility would comply with the City's Noise Ordinance without any additional acoustical shielding, such as a sound wall.

Placement of an eight-foot-high masonry wall between the residential and commercial uses would act as a visual barrier and would also attenuate any noise that may be generated from the commercial site. Other than the noise from the carwash, which has been addressed, the display would not generate any appreciable noise or activity, thus making the commercial use compatible with the adjacent residential uses.

The additional truck traffic for new car deliveries for the additional display area would be nominal. The majority of the truck carriers unload the vehicles on O'Neil Avenue and then drive the vehicles onto the site. Improved on-site circulation and a recommended condition of approval would require that all loading and unloading of trucks occur on-site thus ensuring a minimal impact to the surrounding neighborhood (refer to Recommended Condition of Approval 10 in Attachment VII).

Zone Change Findings - In order for the Zone Change Application to be approved, the following findings must be made:

A. Substantial proof exists that the proposed change will promote public health, safety, convenience, and general welfare of the residents of Hayward.

The zone change will allow the expansion and enhancement of an automobile dealership that is located within an area that has historically been considered "auto row." The maintenance of this land use provides for local and regional shopping opportunities and contributes to the City's economy, proving beneficial to both the convenience and welfare to Hayward residents. Expanding and enhancing the automobile dealership also supports a business that contributes significant sales tax dollars to government agencies, thereby supporting governmental services to local residents.

B. ***The proposed change is in conformance with the purposes of this Ordinance and all applicable, officially adopted policies and plans.***

The zone change would allow for the expansion of an existing automobile dealership that is consistent with the intent of maintaining commercial uses along Mission Boulevard and the zone change would be consistent with the General Plan land use designation of Commercial/High Density Residential.

C. Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified.

The public streets and facilities are adequate to serve the expanded automobile display area and carwash facility.

D. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

In conjunction with the zone change, the City is processing a site plan review application to ensure that the proposed expanded automobile display area and carwash facility would be compatible with the surrounding uses. Improved on-site circulation and a recommended condition of approval requiring that all loading and unloading of trucks occur on-site would ensure a minimal impact to the surrounding neighborhood. In addition, the site plan review is conditioned to provide an eight-foot high masonry wall between the commercial and residential uses. The carwash facility will also be required to comply to the City's Noise Ordinance (day and night) by incorporating the recommendations of the sound study,

which include a Noise Reduction Package on the dryer unit in the carwash and limiting the operation of the carwash facility to the hours of 7:00 a.m. to 9:00 p.m.

Text Amendment- To Repeal the Mission Boulevard Special Design Overlay District - The Mission Corridor Special Design Overlay District (Hayward Municipal Code Section 10-1.2615) requires that all construction that occurs along the Mission Boulevard corridor between Jackson Street and Harder Road be of a Spanish ranch or early California mission design (refer to Attachment III for limits to the Mission Corridor Special Design Overlay District). That design requires low spreading rooflines and warm earth color and textures. The Special Design Overlay District was established as a result of a strategy established in the Mission-Foothills Neighborhood Plan that was approved in 1992. The special design was suggested by the Mission-Foothills Task Force as a way to create a more unified appearance along the Mission Corridor. A notice of the proposed project, including the repeal of the Mission Corridor Special Design Overlay District, was sent to the Mission Foothills Task Force and no response was received.

Most of the buildings within the Special Design Overlay District were constructed prior to the establishment of the special design district and consist of boxy commercial architecture common in the 1950s and 60s. Renovation of these existing buildings to conform to the District's design requirements would be difficult and in some cases impossible as the district calls for *low spreading rooflines* used in single-story design and many of the existing buildings are already two-story in height.

The requirement for all building construction to resemble a Spanish ranch design has not worked well in this district. There have been other dealerships that have implemented the special design requirements in their building architecture, such as the Honda and Volkswagen dealership with unsuccessful results. Although these buildings utilized some barrel-tile roof and earth-tone stucco siding, the primary architectural features are not consistent with the Spanish ranch design.

Also, the City is currently processing a specific plan and form-based code for this area that is scheduled for Council review in the fall of 2012. The proposed form-based code proposes to use the same design standards as the South Hayward BART/Mission Boulevard Form-Based Code that was approved by City Council on October 11, 2011. The proposed code encourages a high-density urban type of development that does not include any particular architectural design. The Spanish ranch or California mission design favors a lower-density suburban type development.

Staff recommends the repeal of the Mission Corridor Special Design Overlay District. The Spanish ranch and California mission architectural styles do not reflect the desired design nor is it well adapted to certain types of buildings such as those needed by auto dealerships. The removal of the design district would allow Toyota to have a design that is more in line with a modern automobile dealership, incorporating crisp building lines and utilizing metal and glass for the showrooms, reflective of a more contemporary architectural style. All buildings would still be subject to architectural review as part of the building permit review process.

Text Amendment Findings - In order for the text amendment application to be approved, the following findings must be made. Staff's responses to those findings are included below.

A. Substantial proof exists that the proposed change will promote public health, safety, convenience, and general welfare of the residents of Hayward.

The proposed text amendment would prove beneficial to the welfare of Hayward residents in that it allows business wishing to expand or remodel more freedom in design, which would assist in attracting new businesses and promoting existing businesses, offering residents a greater variety of retail choices. Currently, it could be financially prohibitive to renovate existing buildings to conform to the Spanish design and in some cases, it could be impossible for the building to conform to the requirement of a *low spreading roofline.* In the cases of additions, not only would the addition have to meet the Spanish design theme, the entire façade of an existing building would also have to be remodeled. This could prove cost prohibitive for some businesses. The removal of the Spanish design requirement would make it easier for existing business to expand and new businesses to locate along Mission Boulevard, thereby creating more economic growth opportunities for businesses and a greater variety of retail choices for Hayward residents. Encouraging growth opportunities for businesses in Hayward in turn supports sales tax growth in the community, which supports local governmental services provided to Hayward community members.

B. *The proposed change is in conformance with the purposes of this Ordinance and all applicable, officially adopted policies and plans.*

Relevant stated purposes of the Zoning Ordinance are to: "retain and enhance established residential neighborhoods, commercial and industrial districts, regional-serving uses, and recreational amenities; allow for the infill and reuse [of] areas at their prevailing scale and character; and accommodate expansion of development into vacant and under-utilized lands within environmental and infrastructure constraints."

The repeal of the Mission Corridor Special Design Overlay District would allow for a wider variety of architectural design and would provide more opportunities for expansion of existing businesses that would promote the general welfare of the City. Also, deletion of the Special Design Overlay District would be consistent with the Economic Development strategy identified in the General Plan that reads: "*Revitalize declining commercial and industrial areas and obsolete facilities through rezoning, redevelopment, rehabilitation, and other available means.*" The expansion and remodel of the existing dealership will revitalize the Toyota dealership business and help strengthen Hayward's remaining "auto-row."

C. Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified.

The repeal of Special Design Overlay District would not have an effect on the streets and public facilities.

D. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

Although the Mission Corridor Special Design Overlay District requires Spanish ranch and California mission design for new buildings and additions, it does not address modifications to existing buildings. In most cases, it is not feasible to renovate all existing buildings or portions of a building on a site within the special design area. The proposed form-based code for this area does not require the Spanish ranch/California mission architectural design theme, but rather focuses on creating transit and pedestrian-oriented neighborhoods and addresses the form of buildings, while allowing for more architectural freedom.

Site Plan Review - The applicant is proposing a modernist building design that replicates a brand design that Toyota is using in many of its other dealerships. The building design reflects the company, its products, and the sales campaign used for the past few years. Approval of the site plan would allow for such a design, as well as a site layout that allows for better on-site circulation, increased display area, merging of the service buildings, and the installation of a carwash facility.

The applicant proposes an architectural remodel of the showroom building that would include the use of metal panels, double-glazed glass, and exterior plaster. A new entry portal leading to the showroom is proposed that would include translucent glass and steel members painted white. A new porte-cochere is proposed on the south end of the showroom building where customers would pick-up their newly-purchased vehicle and Toyota staff would orient the car owner to the features of vehicle they purchased. The applicant proposes to remove the elongated maintenance building that parallels Mission Boulevard and expand the maintenance building located behind the primary showroom building, thereby minimizing the presence of the maintenance building as seen from Mission Boulevard.

The site would be designed to lessen the impact of the dealership to the surrounding properties. The site design includes twenty-five on-site customer parking spaces. Currently, customers park along Mission Boulevard or wherever they can find room on site. The revised on-site circulation plan would also allow trucks to load and unload on-site. According to the Toyota Operations Manager, the majority of the truck carriers unload the vehicles on O'Neil Avenue and then drive them onto the site.

Most high-end Toyota dealerships have carwashes. A carwash facility is proposed towards the rear of the property parallel to O'Neil Avenue. A condition of approval requires that the building be architecturally designed to be compatible with the multi-family units located across O'Neil Avenue by using architectural features and materials more commonly used in residential development. Although not required by the sound study mentioned earlier in the report, and as noted above, an eight-foot-high wall would be installed along the O'Neil Avenue property frontage and along the side property lines (north and south) wherever the commercial use abuts residential uses. The wall would not only act as a visual barrier but would create further sound attenuation to the residents from noise generated from the commercial site.

The masonry wall, along with a 10-foot-wide landscaped area located between the O'Neil Avenue sidewalk and the wall, would screen the commercial activity from the street and soften its presence along O'Neil Avenue. The wall, through architectural features and the use of anti-graffiti coating, would be designed to reduce the likelihood of graffiti. The wall would replace the existing chain

link fence with razor ribbon (refer to Recommended Conditions of Approval 8 and 34 in Attachment VII).

<u>*Site Plan Review Findings*</u> - In order for the Site Plan Review Application to be approved, the following findings must be made. Staff's responses to those findings are also included below.

A. The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City.

Ensuring the automobile dealership is compatible with surrounding uses would require the applicant to comply with the City's Noise Ordinance by incorporating recommendations of the noise study which requires the installation of a Noise Reduction Package on the dryer unit in the carwash and limiting the carwash operation to the hours of 7:00 a.m. to 9:00 p.m. In addition, an eight-foot high wall would be installed on the O'Neil Avenue frontage and along the side (north and south) property lines wherever the commercial use abuts residential uses. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is also a larger site and better on-site circulation to accept delivery of car stock and all loading and unloading would occur on-site. The remodel of the existing dealership would result in an attractive addition to the City.

B. ***The development takes into consideration physical and environmental constraints.***

The property slopes from Mission Boulevard to O'Neil Avenue with a slight slope from north to south as well. A new drainage system is being installed to meet current storm water clarification requirements. This drainage system is being designed to take advantage of the natural slope of the property and maximize overland flow, thereby minimizing future maintenance problems.

C. The development complies with the intent of City development policies and regulations.

The expansion of the automobile dealership is consistent with the Economic Development strategy identified in the General Plan that reads, "*Revitalize declining commercial and industrial areas and obsolete facilities through rezoning, redevelopment, rehabilitation and other available means.*" The expansion and remodel of the existing dealership will result in a more desirable business as viewed from Mission Boulevard, will help revitalize this business, and will help strengthen Hayward's remaining "auto-row."

D. The development will be operated in a manner determined to be acceptable and compatible with surrounding development.

The proposed improvements will improve on-site circulation, provide adequate on-site customer parking, and provide a better barrier between the commercial use and adjoining residential properties. A noise study determined that the car wash facility, as conditioned, will meet the City's Noise Ordinance standards and, with the addition of an eight-foot-high decorative masonry wall to provide a visual and sound attenuation barrier between commercial and residential properties, would make the proposed use compatible with the

adjoining residential properties. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is a larger site with better on-site circulation that is capable of providing on-site loading and unloading of trucks which currently perform this function along the O'Neil Avenue frontage.

ENVIRONMENTAL REVIEW

An Initial Study and Negative Declaration have been prepared for the project pursuant to the California Environmental Quality Act (CEQA) (see Attachment VIII). No significant environmental impacts are expected to result from the project. The review period for the environmental documents ended November 28, 2011. No comments were received.

ECONOMIC AND FISCAL IMPACT

The expansion of the dealership should result in an increase in car sales with would, in turn, increase the sales tax revenue to the City. In addition, the proposed improvements should trigger a reassessment of the property that would lead to a minor increase in property taxes.

PUBLIC CONTACT

On July 18, 2011, a Referral Notice was mailed to every property owner and occupant within 300 feet of the subject site, as noted on the latest County Assessor's records. Planning staff received no responses as a result of that notification. On October 31, 2011, a Notice of the Planning Commission Public Hearing was published in *The Daily Review*. No correspondence was received by the Planning Division related to these notices.

On December 9, 2011, a Notice of this City Council Public Hearing was sent to every property owner and occupant within 300 feet of the subject site and within the Mission Corridor Special Design Overlay District, as noted on the latest County Assessor's records. Also, a Notice of this hearing was published in *The Daily Review* newspaper. At the time of completion of this report, the Planning Division had not received any correspondence related to such notice.

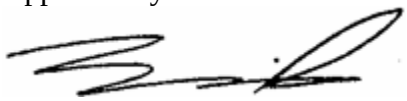
NEXT STEPS

Assuming the City Council approves the project; the applicant can obtain a building permit and commence construction of the improvements.

Prepared by: Tim Koonze, Associate Planner

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

Attachment I	Resolution
Attachment II	Zone Change Ordinance
Attachment III	Text Amendment Ordinance
Attachment IV	Area Map
Attachment V	Site Plan Aerial
Attachment VI	Mission Corridor Special Design Overlay (SD-2) District
Attachment VII	Recommended Conditions of Approval
Attachment VIII	Initial Study Checklist and Negative Declaration
Attachment IX	Planning Commission Report (minus attachments)
Attachment X	Development Plans

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Councilmember _____

RESOLUTION ADOPTING THE NEGATIVE DECLARATION AND APPROVING ZONE CHANGE APPLICATION PL-2011-0283 AND TEXT AMENDMENT PL-2011-0348 AND SITE PLAN REVIEW PL-2011-0215 PERTAINING TO THE EXPANSION AND REMODEL OF THE TOYOTA DEALERSHIP

WHEREAS, on June 29, 2011, Stantec, Larry Tidball (Applicant) submitted Zone Change Application No. PL-2011-0175. Text Change Application No. PL-2011-0348 and Site Plan Review Application No. PL-2011-0215, which concerns a request to a) change the zoning on three parcels from High Density Residential to General Commercial b) repeal the Mission Corridor Special Design Overlay (SD-2) District from the Zoning Ordinance and c) approve a site plan application to allow for the expansion and remodel of the Toyota automobile dealership (the "Project'); and

WHEREAS, a Negative Declaration has been prepared and it has been determined that no significant environmental impacts are expected to result from the Project; and

WHEREAS, the Planning Commission considered the Project at a public hearing held on November 17, 2011, and has recommended that the City Council adopt the Negative Declaration; approve PL-2011-0283-ZC, reclassifying property from High Density Residential to General Commercial; approve PL-2011-0348-TA repealing the Mission Corridor Special Design Overlay (SD-2) District from the Zoning Ordinance, and approve PL-2011-0215-SPR application for the expansion and remodel of the Toyota automobile dealership; and

WHEREAS, notice of the hearing was published in the manner required by law and the hearing was duly held by the City Council on December 20, 2011.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby finds and determines as follows:

CALIFORNIA ENVIRONMENTAL QUALITY ACT

1. The proposed project has been reviewed according to the standards and requirements of the California Environmental Quality Act (CEQA) and an Initial Study Environmental Evaluation Checklist has been prepared for the proposed project. The Initial Study has determined that the proposed project could not result in significant effects on the environment.

2. The project will not adversely affect any scenic resources.

3. The project will not have an adverse effect on agricultural land since the property is surrounded by urban uses and it is too small to be used for agriculture.

4. The project will not result in significant impacts related to changes into air quality. When the property is developed the City will require the developer to submit a construction Best Management Practice (BMP) program prior to the issuance of any grading or building permit.

5. The project will not result in significant impacts to biological resources such as wildlife and wetlands since the site contains no such habitat and it is surrounded by urban uses.

6. The project will not result in significant impacts to known cultural resources including historical resources, archaeological resources, paleontological resources, unique topography or disturb human remains.

7. The project site is not located within a "State of California Earthquake Fault Zone", however, may experience ground shaking due to the proximity to active faults in the region. Construction will be required to comply with the Uniform Building Code standards to minimize seismic risk due to ground shaking.

8. The project will not lead to the exposure of people to hazardous materials.

9. The project will meet all water quality standards. Drainage improvements will be made to accommodate storm water runoff for any future developments.

10. The project is consistent with the policies of the City General Policies Plan, the Downtown Design Plan, the City of Hayward Design Guidelines and the Zoning Ordinance.

11. The project could not result in a significant impact to mineral resources since the site is too small to be developed to extract mineral resources.

12. The project will not have a significant noise impact.

13. The project will not result in a significant impact to public services.

14. The project will not result in significant impacts to traffic or result in changes to traffic patterns or emergency vehicle access.

ZONE CHANGE

1. The zone change will allow the expansion and enhancement of an automobile dealership that is located within an area that has historically been considered "auto row." The maintenance of this land use provides for local and regional shopping opportunities and contributes to the City's economy, proving beneficial to both the convenience and welfare of Hayward residents. Expanding and enhancing the automobile dealership also supports a business that contributes significant sales tax dollars to government agencies, thereby supporting governmental services to local residents.

2. The zone change would allow for the expansion of an existing automobile dealership that is consistent with the intent of maintaining commercial uses along Mission Boulevard and the zone change would be consistent with the General Plan land use designation of Commercial/High Density Residential.

3. The public streets and facilities are adequate to serve the expanded automobile display area and carwash facility.

4. In conjunction with the zone change, the City is processing a site plan review application to ensure that the proposed expanded automobile display area and carwash facility would be compatible with the surrounding uses. Improved on-site circulation and a recommended condition of approval requiring that all loading and unloading of trucks occur on-site would ensure a minimal impact to the surrounding neighborhood. In addition, the site plan review is conditioned to provide an eight-foot high masonry wall between the commercial and residential uses. The carwash facility will also be required to comply to the City's Noise Ordinance by incorporating the recommendations of the sound study, which include a Noise Reduction Package on the dryer unit in the carwash and limiting the operation of the carwash facility to the hours of 7:00 a.m. to 9:00 p.m.

TEXT AMENDMENT

1. The proposed text amendment would prove beneficial to the welfare of Hayward residents in that it allows business wishing to expand or remodel more freedom in design, which would assist in attracting new businesses and promoting existing businesses, offering residents a greater variety of retail choices. Currently, it could be financially prohibitive to renovate existing buildings to conform to the Spanish design and in some cases, it could be impossible for the building to conform to the requirement of a *low spreading roofline.* In the cases of additions, not only would the addition have to meet the Spanish design theme, the entire façade of an existing building would also have to be remodeled. This could prove cost prohibitive for some businesses. The removal of the Spanish design requirement would make it easier for existing business to expand and new businesses to locate along Mission Boulevard, thereby creating more economic growth opportunities for businesses and a greater variety of retail choices for Hayward residents. Encouraging growth opportunities for businesses in Hayward in turn supports sales tax growth in the community, which supports local governmental services provided to Hayward community members.

2. Relevant stated purposes of the Zoning Ordinance are to: "retain and enhance established residential neighborhoods, commercial and industrial districts, regional-serving uses, and recreational amenities; allow for the infill and reuse [of] areas at their prevailing scale and character; and accommodate expansion of development into vacant and under-utilized lands within environmental and infrastructure constraints."

   The repeal of the Mission Corridor Special Design Overlay District would allow for a wider variety of architectural design and would provide more opportunities for expansion of existing businesses that would promote the general welfare of the City. Also, deletion of the Special Design Overlay District would be consistent with the Economic Development strategy identified in the General Plan that reads: "*Revitalize declining commercial and industrial areas and obsolete facilities through rezoning, redevelopment, rehabilitation and other available means.*" The expansion and remodel of the existing dealership will revitalize the Toyota dealership business and help strengthen Hayward's remaining "auto-row."

3. The repeal of Special Design Overlay District would not have an effect on the streets and public facilities.

4. Although the Mission Corridor Special Design Overlay District requires Spanish ranch and California mission design for new buildings and additions, it does not address modifications to existing buildings. In most cases, it is not feasible to renovate all existing buildings or portions of a building on a site within the special design area. The proposed form-based code for this area does not require the Spanish ranch/California mission architectural design theme, but rather focuses on creating transit and pedestrian-oriented neighborhoods and addresses the form of buildings, while allowing for more architectural freedom.

SITE PLAN REVIEW

1. Ensuring the automobile dealership is compatible with surrounding uses would require the applicant to comply with the City's Noise Ordinance by incorporating recommendations of the noise study which requires the installation of a Noise Reduction Package on the dryer unit in the carwash and limiting the carwash operation to the hours of 7:00 a.m. to 9:00 p.m. In addition, an eight-foot high wall would be installed on the O'Neil Avenue frontage and along the side (north and south) property lines wherever the commercial use abuts residential uses. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is also a larger site and better on-site circulation to accept delivery of car stock and all loading and unloading would occur on-site. The remodel of the existing dealership would result in an attractive addition to the City.

2. The property slopes from Mission Boulevard to O'Neil Avenue with a slight slope from north to south as well. A new drainage system is being installed to meet current storm water clarification requirements. This drainage system is being designed to take advantage of the natural slope of the property and maximize overland flow, thereby minimizing future maintenance problems.

3. The expansion of the automobile dealership is consistent with the Economic Development strategy identified in the General Plan that reads, "*Revitalize declining commercial and industrial areas and obsolete facilities through rezoning, redevelopment, rehabilitation and other available means.*" The expansion and remodel of the existing dealership will result in a more desirable business as viewed from Mission Boulevard, will help revitalize this business, and will help strengthen Hayward's remaining "auto-row."

4. The proposed improvements will improve on-site circulation, provide adequate on-site customer parking and provide a better barrier between the commercial use and adjoining residential properties. A noise study determined that the carwash facility, as conditioned, will meet the City's Noise Ordinance standards and, with the addition of an eight-foot-high decorative masonry wall to provide a visual and sound attenuation barrier between commercial and residential properties, would make the proposed use compatible with the adjoining residential properties. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is a larger site with better on-site circulation that is capable of providing on-site loading and unloading of trucks which currently perform this function along the O'Neil Avenue frontage.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward, based on the foregoing findings, hereby adopts the Negative Declaration and approves Zone Change Application No. PL-2011-0283, Text Amendment Application PL-2011-0348 and Site Plan Review Application PL-2011-0176, subject to the attached conditions of approval and adoption of the companion ordinances rezoning the three properties located at 24690 through 24710 O'Neil Avenue from High Density Residential District to General Commercial District and repealing the Mission Corridor Special Design Overlay (SD-2) District from the Zoning Ordinance.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1 OF THE HAYWARD MUNICIPAL CODE BY REZONING CERTAIN PROPERTY IN CONNECTION WITH ZONE CHANGE APPLICATION NO. PL-2011-0283 RELATING TO THE TOYOTA DEALERSHIP EXPANSION AND REMODEL

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Rezoning.

Article 1 of Chapter 10 of the Hayward Municipal Code is hereby amended to rezone three properties located at 24690 through 24710 O'Neil Avenue (APNs 444-0036-046-00, 444-0036-047-00, and 444-0036-048-00) from High Density Residential District to General Commercial District**.**

Section 2. Severance.

Should any part of this ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid or beyond authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided the remainder of the ordinance, absent the excised portion, can be reasonable interpreted to give effect to intentions of the City Council.

Section 3. Effective Date.

This ordinance shall become effective immediately upon adoption.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held on the _____ day of December, 2011, by Council Member _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward held the _____ day of January, 2012, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEM BERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED: _____
Mayor of the City of Hayward

DATE:_____

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1
OF THE HAYWARD MUNICIPAL CODE BY REPEALING
THE MISSION CORRIDOR SPECIAL DESIGN OVERLAY (SD-2)
DISTRICT FROM THE ZONING ORDIANCNE IN CONNECTION
WITH TEXT AMENDMENTAPPLICATION NO. PL-2011-0348
RELATING TO THE TOYOTA DEALERSHIP EXPANSION
AND REMODEL

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Rezoning.

Article 1 of Chapter 10 of the Hayward Municipal Code is hereby amended to repeal the Mission Corridor Special Design Overlay (SD-2) District from the Zoning Ordinance affecting the properties within the Mission Corridor as identified on the attached Exhibit A.

Section 2. Severance.

Should any part of this ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid or beyond authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided the remainder of the ordinance, absent the excised portion, can be reasonable interpreted to give effect to intentions of the City Council.

Section 3. Effective Date.

This ordinance shall become effective immediately upon adoption.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held on the _____ day of December, 2011, by Council Member _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward held the _____ day of January, 2012, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEM BERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED: _____
Mayor of the City of Hayward

DATE: _____

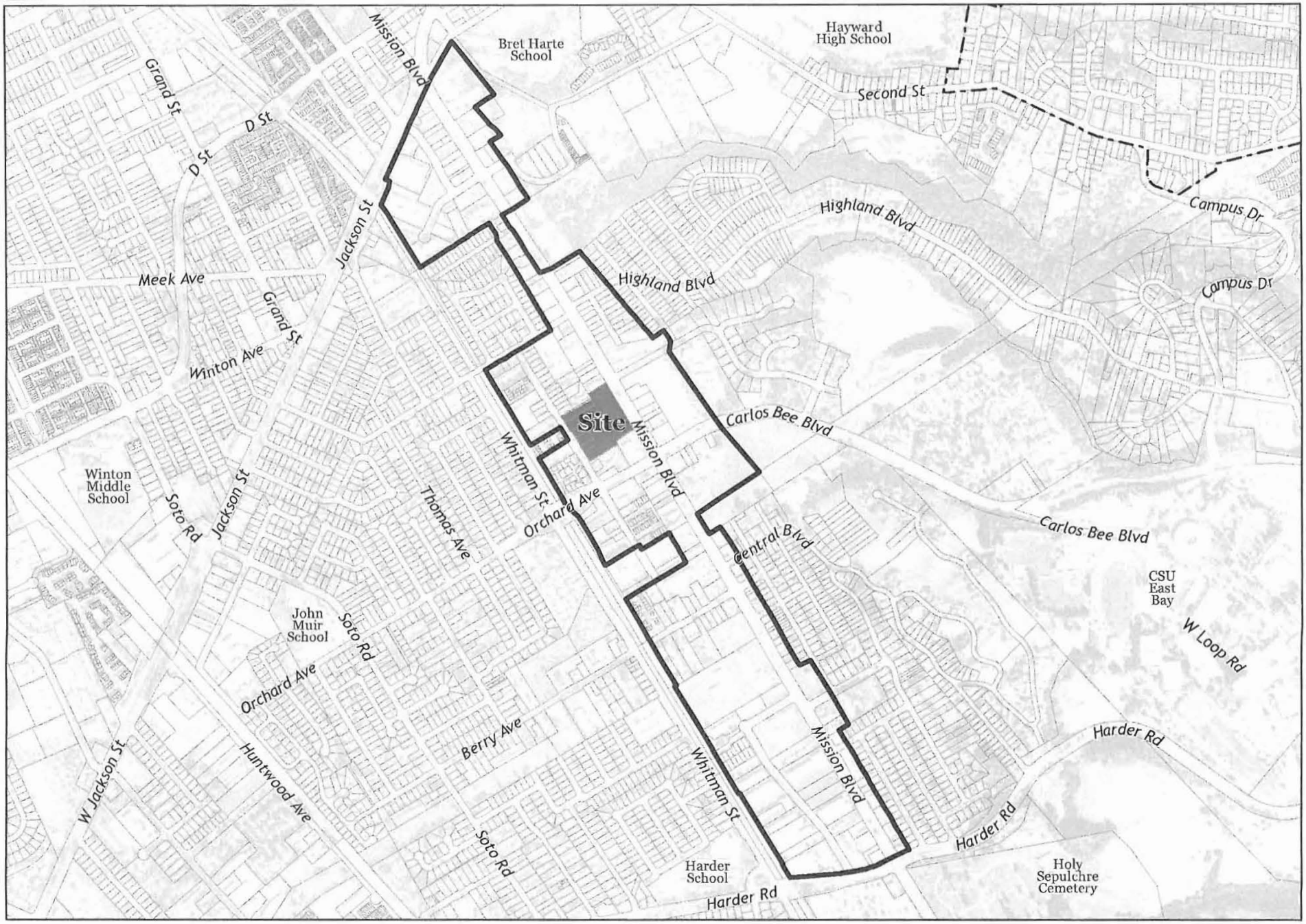
ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

Exhibit A

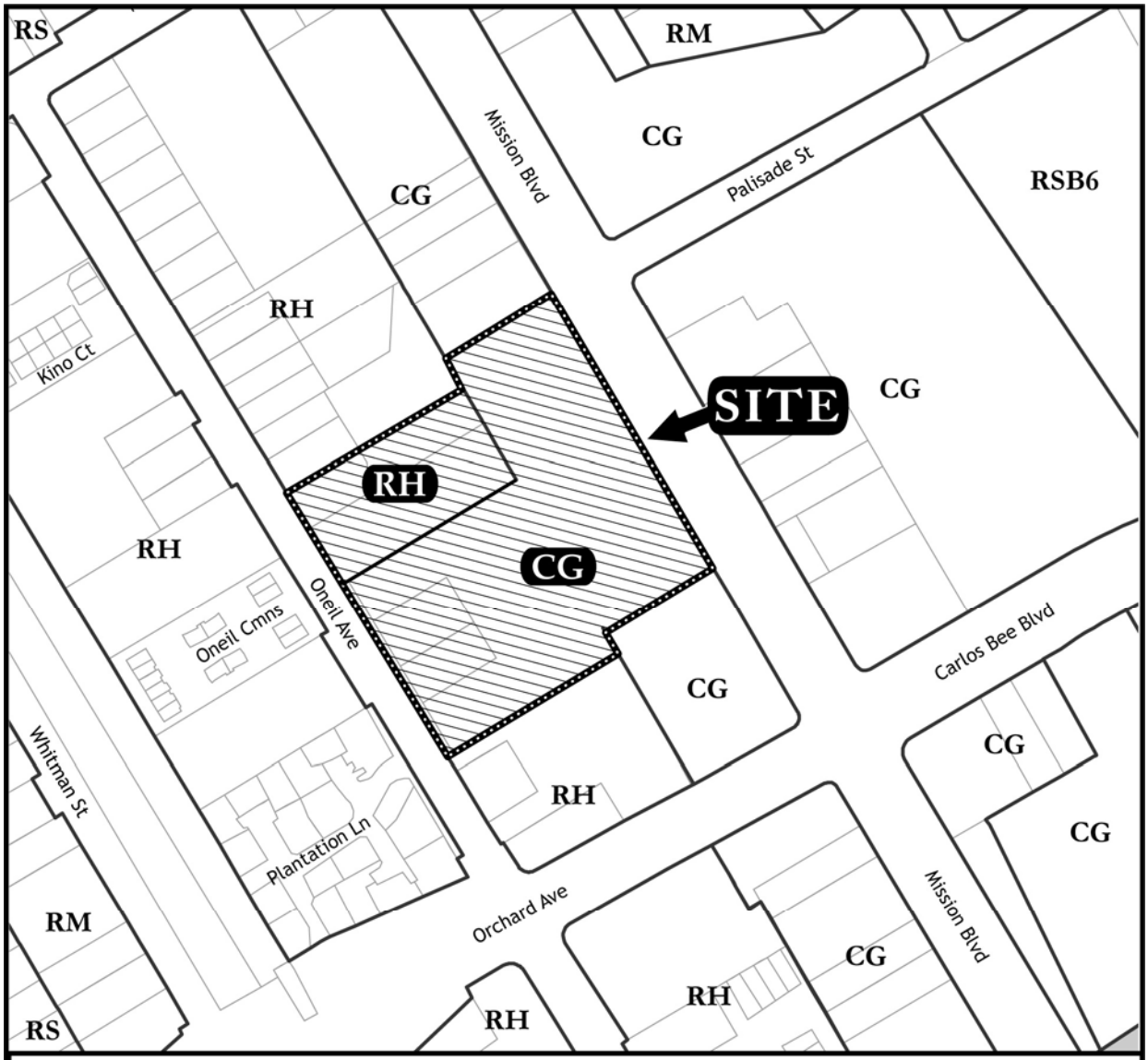
Special Design District 2



November, 2011

1

Attachment IV



Area & Zoning Map

PL-2011-0283 ZC
PL-2011-0348 TA
PL-2011-0215 SPR

Address: 24773 Mission Boulevard
Applicant: Larry Tidball
Owner: Auto Mission Ltd

Zoning Classifications

RESIDENTIAL

RH High Density Residential, min lot size 1250 sqft
RM Medium Density Residential, min lot size 2500 sqft
RS Single Family Residential, min lot size 5000 sqft
RSB6 Single Family Residential, min lot size 6000 sqft

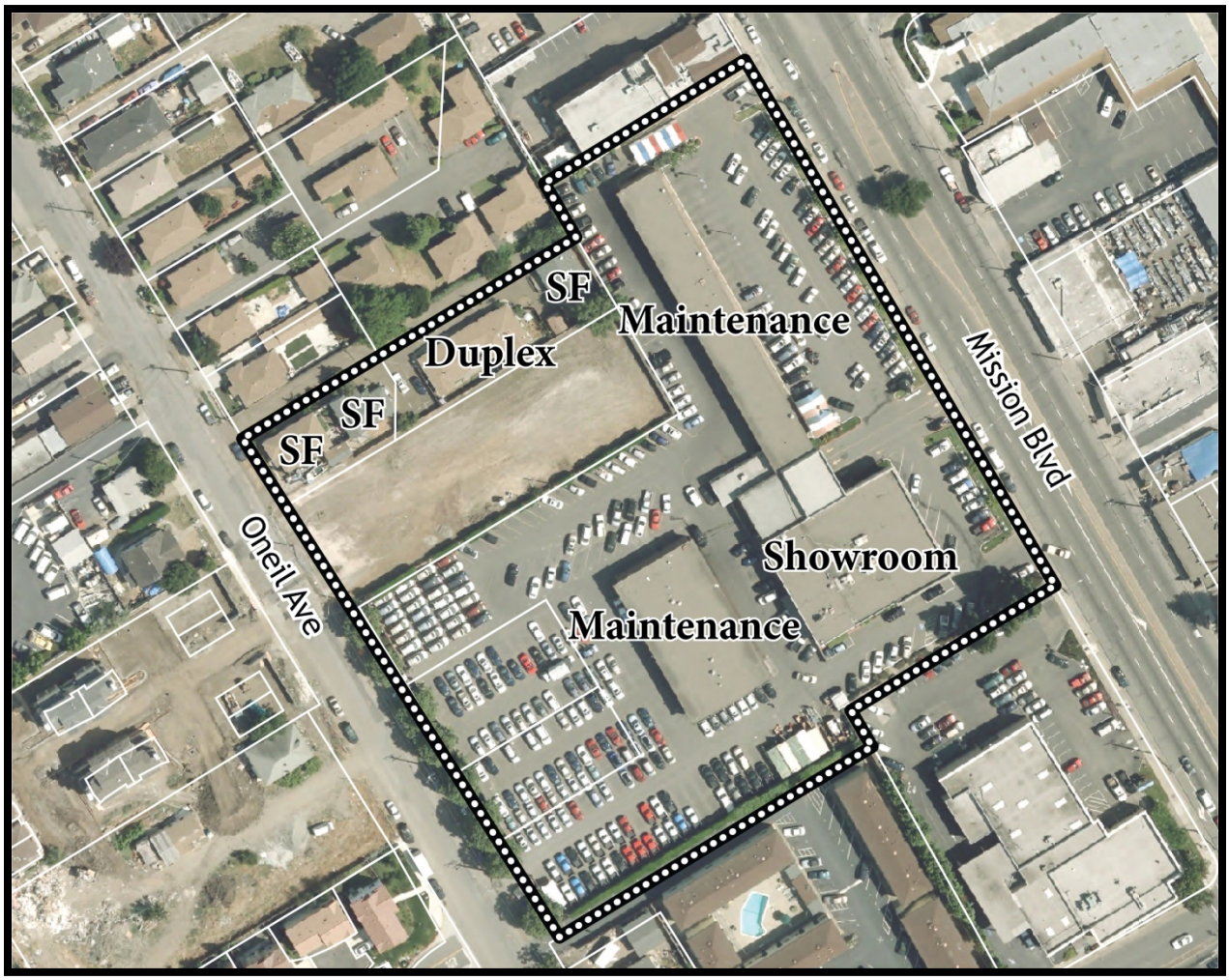
COMMERCIAL

CG General Commercial

N

FEET 200 400

Attachment V



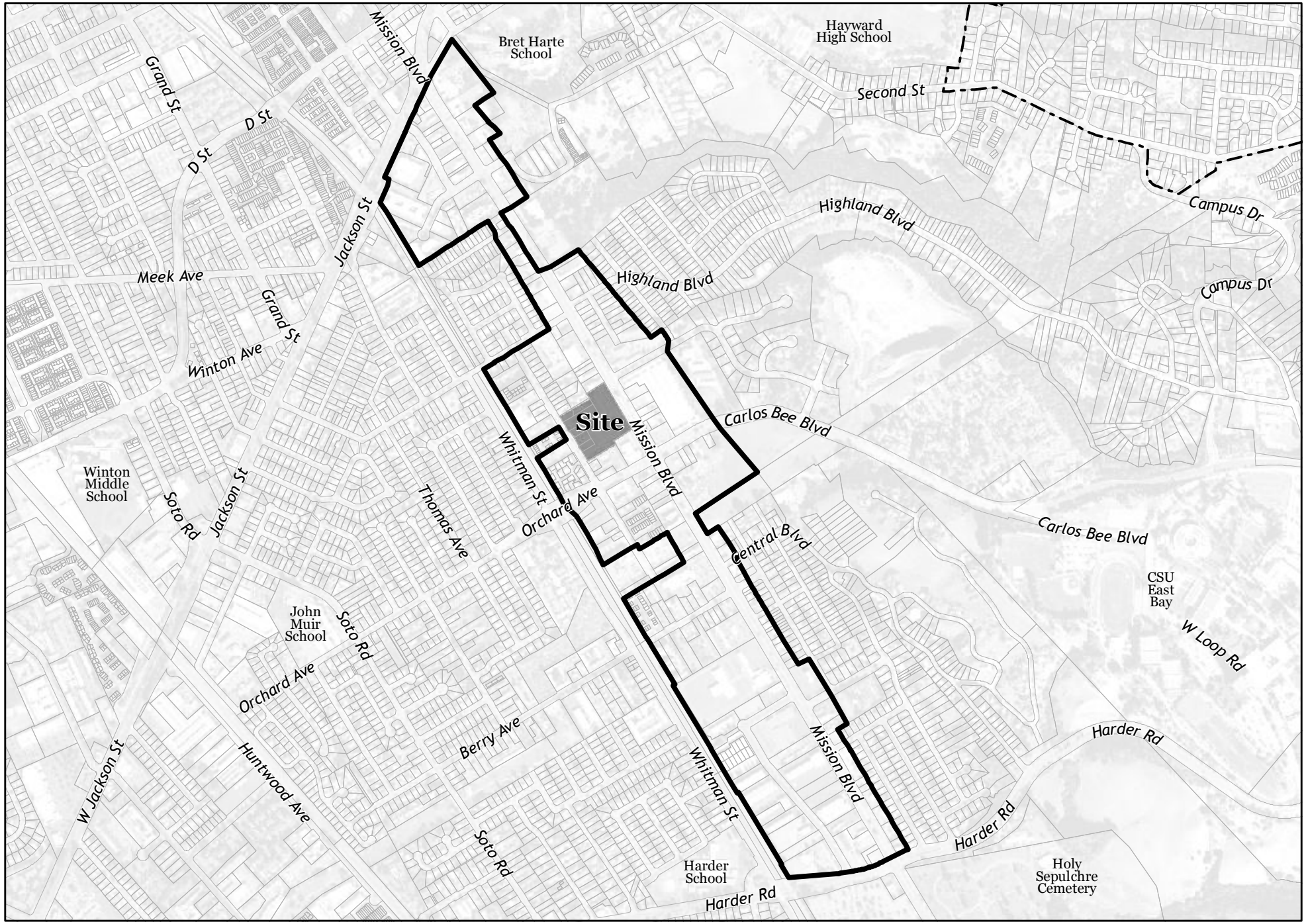
Aerial Photo Identifying Existing Buildings

Zone Change Application PL-2011-0283
Text Amendment Application PL-2011-0348
Site Plan Review Application PL-2011-0215

Stantec, Larry Tidball (Applicant) / Auto Mission Ltd. (Owner)

Special Design District 2

0 500 1,000 2,000 Feet



November, 2011

CITY OF HAYWARD
PLANNING DIVISION

November 17, 2011

Zone Change Application PL-2011-0283 / Text Amendment Application PL-2011-0348 / Site Plan Review Application PL-2011-0215 – Stantec, Larry Tidball (Applicant) / Auto Mission Ltd. (Owner) – Request for a Zone Change from High Density Residential District to General Commercial District, Repeal the Mission Corridor Special Design Overlay District, and Site Plan Review Associated with a Proposed Renovation of the Toyota Dealership

The Properties to be Rezoned are 24690 Through 24710 O'Neil Avenue, the Properties of the Toyota Dealership Also Include 24760 and 24778 O'Neil Avenue and 24773 Mission Boulevard (Assessor's Parcel No's 444-36-34-3, 44-6, 45-6, 46, 47, and 48), Approximately 200 Feet North of Orchard Avenue, On a Through-Lot Having Frontage on Both Mission Boulevard and O'Neil Avenue

Any modification to these permits shall require review and approval by the Planning Director. If determined to be necessary for the public safety and general welfare, the City may impose additional conditions or restrictions on this permit.

The dealership improvements shall be installed and the dealership shall operate according to these conditions of approval, the plans labeled Exhibit "A". This permit becomes void three years after the effective date of approval, unless prior to that time the operation of the bar has commenced. A request for a one-year extension, approval of which is not guaranteed, must be submitted to the Planning Division at least 15 days prior to December 20, 2014.

CONDITIONS OF APPROVAL

1. The permittee shall assume the defense of and shall pay on behalf of and hold harmless the City, its officers, employees, volunteers, and agents from and against any or all loss, liability, expense, claim cost, suits and damages of every kind, nature and description directly or indirectly arising from the performance and action of this permit.
2. A copy of these conditions of approval must be kept on the premises of the establishment and posted in a place where it may readily be viewed by the general public.
3. All parking spaces identified for customer parking shall comply with the specifications of the City's Off-Street Parking Regulations including providing a tree for every six parking stalls.
4. The exterior of the premises, including the adjacent sidewalk and parking lot shall be illuminated during all hours of darkness during which the premises are open for business in a manner so persons standing in those areas are identifiable by law enforcement personnel. The lighting shall meet Title 24 of the California Building Code.

5. The exterior of the premises shall be kept clean including the sidewalk and landscape area across the frontages of their establishment. The management shall ensure that no trash or litter originating from the establishment is deposited on neighboring properties or in the parking lot. Paint and windows shall be kept clean and cracked or broken glass must be replaced within 48 hours of discovery.

6. The applicant shall be responsible for graffiti-free maintenance on all exterior elevations of the building. Graffiti shall be removed within 48 hours after the applicant or owner has become aware of the occurrence.

7. All disability parking and access shall comply with the latest edition of the California Building Code.

8. An eight-foot-high decorative wall shall be installed along the O'Neil Avenue frontage and along any property line that separates commercial use from residential use. The wall, through architectural features and the use of anti-graffitti coating, shall be designed to reduce the likelihood of graffiti. The design and location of the wall shall meet the approval of the Planning Director.

9. The carwash facility shall implement the recommendations specified in the Acoustical Analysis prepared by Colia Acoustical Consultants dated September 13, 2011 which concluded that:

    a. The dryer unit of the carwash shall utilize the Noise Reduction Package that is available; and

    b. Limit the hours of the carwash operation to 7:00 a.m. to 9:00 p.m.

10. All loading and unloading of trucks shall be conducted on-site and shall not be done within the public streets.

Engineering

11. Parcel Merger Application with an initial deposit in the amount of $3,000 shall be submitted prior to or concurrent with the Building Permit Application. All parcels must be under common ownership and title must be held in the exact manner for each parcel. Parcels shall be combined in order to comply with the City Building and Zoning Ordinance requirements. Parcel Merger Notice shall be executed and recorded prior to Building Division's final inspection of the showroom building.

12. Prior to issuance of a building permit, the owner shall dedicate 25-foot-wide strip of right of way along the O'Neil Avenue frontage measured from the center line of the original 50 ft. wide road right of way.

13. Unless otherwise stated, all necessary easements shall be dedicated, and all improvements shall be designed and installed at no cost to the City of Hayward.

14. The applicant/developer's Registered Civil Engineer shall perform all Civil Engineering design work unless otherwise indicated. Improvement plans shall be submitted for review and approval by the City Engineer. At minimum the Improvement Plans shall consist of existing site plan including topographic information, existing utility systems including drainage system, and proposed improvements of the project site including stormwater quality treatment facilities.

15. The project plans shall include a storm drain design that complies with post-construction stormwater requirements to provide treatment of the stormwater according to the National Pollutant Discharge Elimination System (NPDES) permit's numeric criteria. The storm drain design shall comply with the C.3 established thresholds and shall incorporate measures to minimize pollutants to the maximum extent practicable (MEP).

16. The applicant/developer is responsible for ensuring that all contractors are aware of all storm water quality measures and implement such measures. Failure to comply with the approved construction BMPs will result in the issuance of correction notices, citations or a project stop order.

17. The project shall be designed with BMPs complying with the hydraulic sizing criteria listed in Provision C.3 of the Alameda County Clean Water Program (ACCWP) NPDES permit (page 30). In addition, the California Stormwater Quality Association's Stormwater Best Management Practice Handbook New Development and Redevelopment, Subsection 5.5 on pages 5-12 has a section titled "BMP Design Criteria for Flow and Volume". These materials are available in the internet at www.cabmphandbooks.com.

18. Prior to the issuance of a grading permit and/or the beginning of any construction activity on-site, the Developer's Engineer shall complete a Development Building Application Form Information comprising of: (1) Impervious Material Form, and (2) Operation and Maintenance Information Form and submit the forms to the City Engineer.

19. Prior to the issuance of a grading permit and/or the beginning of any construction activity on-site, the owner/developer shall execute a Storm Treatment Measures Maintenance Agreement (as prepared by the City of Hayward and is available in the Engineering and Transportation Division); the Maintenance Agreement shall be recorded with the Alameda County Recorder's Office to ensure that the maintenance is bound to the property in perpetuity.

20. Prior to the issuance of a grading permit and/or the beginning of any construction, an Erosivity Certificate (SWPPP wavier), shall be submitted. Otherwise a Storm Water Pollution Prevention Plan (SWPPP) shall be submitted with a design to reduce discharge of pollutants and sediments into the downstream storm drain system for review and approval of the City Engineer.

21. Prior to the issuance of a grading permit and/or the beginning of any construction activity on-site, a copy of the Notice of Intent (NOI) from the State Water Resources Control Board shall be provided to the City prior to the start of grading.

22. Project applicant shall be aware of the additional, **New Stormwater Use and Treatment Requirements that will go into effect** ***December 1, 2011.*** The full text of the MRP for the applicable new requirements in Provisions C.3.b.ii and C.3.c.i.2 of the San Francisco Bay Municipal Regional Stormwater National Pollution Discharge Elimination System Permit ("Municipal Regional Permit" or "MRP") may be downloaded *at* ***www.cleanwaterprogram.org.***

23. The proposed storm water mitigation area shall be discharged into the County storm drain system. The developer's engineer shall provide hydraulic calculations sufficient to analyze downstream impacts. If the propose flow, from the site, is increased to the existing 72" pipe that runs diagonally through the site, or if the existing 10" laterals to the site need to be re-installed or re-sized to the 72" pipe then the storm system shall be reviewed and approved by the Alameda County Flood Control and Water Conservation District (ACFC & WCD), otherwise approval shall be by the City of Hayward, City Engineer. An Encroachment Permit shall be obtained from ACFC & WCD for surface work within the ACFC & WCD easement. An Encroachment Permit shall be obtained prior to the start of construction.

24. Any excavation on O'Neil Avenue shall be backfilled in conformance with City standard SD-310 and paved with slurry seal the whole width of the street a minimum distance of 10 feet on both sides of the excavation.

25. Any damaged and/or broken sidewalk along the property frontages as determined by the City Inspector shall be removed and replaced.

26. Prior to Building Division's final inspection of the showroom building, the unused driveways on O'Neil Avenue shall be removed and replaced with standard curb, gutter and sidewalk to match the existing.

27. Any installation of improvements along the Mission Boulevard frontage shall be coordinated with the Route 238 Corridor Improvement Project. Please coordinate with Senior Civil Engineer, Kevin Briggs, at (510) 583-4760.

Public Works Utilities

28. Water & Sewer Service are available and subject to standard conditions and fees in effect at time of application.

29. Prior to issuing a building permit, provide gallon per minute demand on plans to determine proper water meter size. The maximum gallon per minute demand on a 2" water meter is 130.

30. A separate irrigation meter shall be installed for landscaping purposes.

31. Prior to Building Division's final inspection of the showroom, all existing water services to be abandoned along the O'Neil Avenue frontage shall be disconnected and capped to the satisfaction of the City Engineer.

32. Prior to Building Division's final inspection of the showroom, all existing sanitary sewer laterals on O'Neil Avenue to be abandoned shall be disconnected and capped at the sewer main.

33. All fire services shall have a detector check and trim/fire meter installed by City Water Distribution.

Landscaping

34. A 10-foot-wide strip of land between the sidewalk and the proposed masonry wall shall be landscaped with irrigation. The design of the landscaping and irrigation shall meet the approval of the City's Landscape Architect.

35. Prior to Building Division final inspection of the showroom building, a landscape and irrigation plan shall be submitted that meets the approval of the City's Landscape Architect. The plans shall comply with the City of Hayward Bay-Friendly Water Efficient Landscape Ordinance.

36. Plant material shall be regionally specific and adopted to summer dry climate. Plant spacing shall not encourage shearing or cutbacks on regular bases; however the plants shall be spaced to fill in within 2 years.

Water Pollution Source Control

37. Applicant shall provide information to WPSC regarding flow rate and loading to the oil/sand interceptor, and provide documentation of proper sizing of the interceptor.

38. Install controls mechanisms, such as berming, to prevent transient wash water from entering the storm drain system after cars exit the wash.

39. Liquid and dry materials shall have secondary containment sufficient to provide protection from accidental discharge to the sanitary or stormwater collection system.

40. Any exterior painting shall be completed in weather conditions that will allow the paint to dry prior to rainfall.

41. All wastewater from sawcutting operations shall be captured and kept from discharge to the storm drain system. Sawcutting water may be filtered to remove sand and cement, neutralized to pH less than 12, and the filtered and neutralized water may be discharged to the sanitary sewer on-site.

42. All on-site storm drain inlets shall be cleaned at least once per year immediately prior to the rainy season. Additional cleaning may be required by the City.

43. All on-site storm drain inlets shall be clearly stenciled "No Dumping, Drains to Bay.

Fire Department

44. Prior to Building Division final inspection of the showroom building, the building permit site plan shall indicate a fire apparatus access road that meets the approval of the City Fire Chief. Due to firefighter fighting operations we need access to all parked vehicles.

45. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire access apparatus access road shall extend to within 150 feet of all portion of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility. In another word, building shall be built within 150 feet hose lay distance of a fire access road.

46. Fire apparatus access roads shall have an unobstructed width of not less than 20 feet and an unobstructed vertical clearance of not less than 13 feet 6 inches.

47. The building permit plans shall indicate the location of existing fire hydrants. The average spacing between hydrants is 300 feet. Any portion of the building or facility shall be within 400 feet of a fire hydrant. Additional hydrant is required if the above requirement is not met.

48. Prior to Building Division's final inspection of the showroom building, a fire sprinkler plan shall be submitted that meets the approval of the Fire Chief. Fire sprinkler protection is required though out Building D as shown on Exhibit A. As per Hayward Ordinance No. 10-14 Section 903.2.19 EXISTING BUILDINGS: Sprinklers required when any addition or additions to the original building which will add 10% or more to the total floor area of the existing building and the resulting floor area is 3000 sq. ft. or more for S-1 occupancies or 5,000 sq. ft. or more for other occupancies.

49. Prior to Building Division's final inspection of the showroom building provide a fire sprinkler plan that shows fire sprinkler protection throughout the Showroom building including canopies. Fire sprinkler protection is required when tenant improvement meets the following: As per Hayward Ordinance No. 10-14 Section 903.2.19 EXISTING BUILDINGS: When any addition or additions to the original building which will add 10% or more to the total floor area of the existing building and the resulting floor area is 3000 sq. ft. or more for S-1 occupancies or 5,000 sq. ft. or more for other occupancies. Fire Sprinklers also are required when there has been accumulative area of alteration, addition or repair (Ordinance No. 10-14 Section 903.2.19 #5).

50. The building permit plans shall identify the location of new/existing fire department connection for each building on the site plan. It shall be located on the street/fire apparatus access side of buildings, fully visible and recognizable from the street or nearest point of fire department vehicle access. Fire department connection shall be so located that fire apparatus and hose connected to supply the system will not obstruct access to the building for other fire apparatus.

51. Because uses have occurred on the site that are known to have included hazardous materials, the City of Hayward's Fire Department Hazardous Materials Office is requiring a Phase I environmental review for the project site prior to issuance of a building permit. The completed study shall be submitted to the City of Hayward's Fire Department Hazardous Materials Office.

52. A complete chemical inventory shall be submitted by the operator/owner for the project. An inventory shall be completed for each occupancy type and control area of the facility, and it shall include any outside storage and use of hazardous materials. Chemicals falling into more than one hazard category, should be listed in each category and chemicals in more than one state should be listed in each state with the quantities listed in pounds for solids, gallons for liquids and cubic feet (at standard temperature and pressure) for gases. Clearly describe the proposed chemical use and/or storage for this business.

    Individual container size is requested along with whether the material is in use or storage, inside the building or outside and in an open system or closed system. A *Chemical Inventory Worksheet Packet*, including the hazardous materials hazard categories, can be obtained by contacting the Hazardous Materials Office at 510-

583-4926. A summary of the chemical inventory for the project should be included on a separate sheet of the plans, along with a sheet that identifies the control areas and occupancy areas of the facility.

53. To ensure that the proposed closure of the hazardous materials facilities associated with this project is completed properly, submit a closure plan to the Hazardous Materials Office for review and approval.

DEPARTMENT OF
DEVELOPMENT SERVICES
Planning Division

NEGATIVE DECLARATION

Notice is hereby given that the City of Hayward finds that no significant effect on the environment as prescribed by the California Environmental Quality Act of 1970, as amended will occur for the following proposed project:

I. ***PROJECT DESCRIPTION***: Proposal entails changing the zoning of three properties, totaling approximately one acre, from High Density Residential District to General Commercial District to accommodate an expansion of the existing Toyota automobile dealership. The application also includes a text amendment to repeal the Mission Corridor Special Design Overlay District, which requires new construction along the Mission Boulevard Corridor between Jackson Street and Harder Road to be of a Spanish ranch or early California mission design. There is also a site plan review application for the remodeling and expansion of the existing Toyota automobile dealership which consist of remodeling the existing sales/display building, removing one of the service buildings and expanding the remaining service building, expanding display parking onto the properties affected by the zone change, and the construction of a car was facility that would serve the dealership and not be open to the public.

II. ***FINDING PROJECT WILL NOT SIGNIFICANTLY AFFECT ENVIRONMENT***:

The proposed project could not have a significant effect on the environment.

III. ***FINDINGS SUPPORTING DECLARATION***:

1. The proposed project has been reviewed according to the standards and requirements of the California Environmental Quality Act (CEQA) and an Initial Study Environmental Evaluation Checklist has been prepared for the proposed project. The Initial Study has determined that the proposed project could not result in significant effects on the environment.

2. The project will not adversely affect any scenic resources.

3. The project will not have an adverse effect on agricultural land since the property is surrounded by urban uses and it is too small to be used for agriculture.

4. The project will not result in significant impacts related to changes into air quality. When the property is developed the City will require the developer to submit a construction Best Management Practice (BMP) program prior to the issuance of any grading or building permit.

5. The project will not result in significant impacts to biological resources such as wildlife and wetlands since the site contains no such habitat and it is surrounded by urban uses.

6. The project will not result in significant impacts to known cultural resources including historical resources, archaeological resources, paleontological resources, unique topography or disturb human remains.

7. The project site is not located within a "State of California Earthquake Fault Zone", however, may experience ground shaking due to the proximity to active faults in the region. Construction will be required to comply with the Uniform Building Code standards to minimize seismic risk due to ground shaking.

8. The project will not lead to the exposure of people to hazardous materials.

9. The project will meet all water quality standards. Drainage improvements will be made to accommodate storm water runoff for any future developments.

10. The project is consistent with the policies of the City General Policies Plan, the Downtown Design Plan, the City of Hayward Design Guidelines and the Zoning Ordinance.

11. The project could not result in a significant impact to mineral resources since the site is too small to be developed to extract mineral resources.

12. The project will not have a significant noise impact.

13. The project will not result in a significant impact to public services.

14. The project will not result in significant impacts to traffic or result in changes to traffic patterns or emergency vehicle access.

IV. *PERSON WHO PREPARED INITIAL STUDY*: Tim Koonze, Associate Planner

Signature: Tim Koonze Dated: 11/3/11

V. *COPY OF INITIAL STUDY IS ATTACHED*

For additional information, please contact the City of Hayward Development Services Division, 777 B Street, Hayward, CA 94541-5007 or telephone (510) 583-4114

CITY OF
HAYWARD
HEART OF THE BAY

DEPARTMENT OF DEVELOPMENT SERVICES
Planning Division

INITIAL STUDY CHECKLIST

Project Title:

Lead agency name and address: City of Hayward, 777 "B" Street, Hayward, CA 94541-5007

Contact person: Tim R. Koonze, Associate Planner
(510) 583-4207 tim.koonze@hayward-ca.gov

Project location: Property is located at 24773 Mission Boulevard approximately 200 feet north of Orchard Avenue.

Project sponsor's name and address: Stantec
19 Technology Drive
Irvine, CA 92628
Attn: Larry Tidball

General Plan: Commercial High Density Residential (CHDR)

Zoning: General Commercial (GC)/High Density Residential (RH)

Description of project: Proposal entails changing the zoning of three properties, totaling approximately one acre, from High Density Residential District to General Commercial District to accommodate an expansion of the existing Toyota automobile dealership. The application also includes a text amendment to repeal the Mission Corridor Special Design Overlay District, which requires new construction along the Mission Boulevard Corridor between Jackson Street and Harder Road to be of a Spanish ranch or early California mission design. There is also a site plan review application for the remodeling and expansion of the existing Toyota automobile dealership which consist of remodeling the existing sales/display building, removing one of the service buildings and expanding the remaining service

building, expanding display parking onto the properties affected by the zone change, and the construction of a car wash facility that would serve the dealership and not be open to the public.

Surrounding land uses and setting:

The uses surrounding the subject site include commercial uses to the east, north and south of the property along the Mission Boulevard frontage and multi-family residential development to the west, north and south along the O'Neil Avenue frontage.

Other public agencies Whose approval is required:

None

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

[X]	Aesthetics	☐	Agriculture and Forestry Resources	☐	Air Quality
☐	Biological Resources	☐	Cultural Resources	[X]	Geology /Soils
☐	Greenhouse Gas Emissions	[X]	Hazards & Hazardous Materials	☐	Hydrology / Water Quality
[X]	Land Use / Planning	☐	Mineral Resources	[X]	Noise
[X]	Population / Housing	☐	Public Services	☐	Recreation
☐	Transportation/Traffic	☐	Utilities / Service Systems	☐	Mandatory Findings of Significance

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

[X] I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

_____ _____

Signature

Tim Koonze

Printed Name

Date

11/3/11

For

EVALUATION OF ENVIRONMENTAL IMPACTS:

ENVIRONMENTAL ISSUES:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
I. **AESTHETICS** -- Would the project:				
a) Have a substantial adverse effect on a scenic vista? ***Comment:***. *The proposed improvements would not affect any scenic vista.*	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? ***Comment:*** *No scenic resources exist in the area.*	☐	☐	☐	☒
c) Substantially degrade the existing visual character or quality of the site and its surroundings? ***Comment:*** *The proposal would remodel an existing dealership with modernist architecture. It would remove four dilapidated residential buildings replacing them with an automobile display area. It would remove unsightly slatted chain-link fence and replace it with a decorative masonry wall. The proposal does include the construction of a car wash near the O'Neil Avenue frontage but it is setback 11 feet from the property line and would be located behind an eight-foot high decorative masonry wall. The carwash is designed with stucco siding and a tile roof to be more complimentary to the adjoining residential properties, thus the impact is considered less-than-significant.*	☐	☐	☐	☒
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? **Comment** *The light generated from the is considered less than significant given the surrounding developed area; no mitigation is required*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
II. **AGRICULTURE AND FOREST RESOURCES**: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. -- Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? ***Comment:*** *The project site does not contain such farmland.*	☐	☐	☐	☒
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? ***Comment:*** *The project is not located in an agricultural district nor in an area used for agricultural purposes, nor is it subject to a Williamson Act contract.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? **Comment** *The project does not involve the rezoning of forest land or timberland; thus, no impact.*	☐	☐	☐	☒
d) Result in the loss of forest land or conversion of forest land to non-forest use? **Comment** *The project does not involve the loss of forest land or involve conversion of forest land; thus, no impact.*	☐	☐	☐	☒
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? **Comment** *The project does not involve changes to the environment that could result in conversion of Farmland or forest land; thus no impact.*	☐	☐	☐	☒
III. **AIR QUALITY** -- Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan? **Comment** *The project consists of remodeling an existing automobile dealership and rezoning approximately one acre of land from a residential use to a commercial use that would be used for new car display and will not conflict with the goals of the air quality plan; thus no impact.*	☐	☐	☐	☒
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? **Comment** *The Bay Area Air Quality Management District (BAAQMD) has established screening criteria as part of their CEQA guidance to assist in determining if a*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
proposed project could result in potentially significant air quality impacts. Based on the District's criteria, the proposed project screens below what would require additional evaluation; thus the proposed project will not violate any air quality standard and there is no impact.				
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? **Comment** *The proposed project meets the screening criteria in Table 3-1 of the Air District's CEQA Guidelines; thus, it can be determined that the project would result in a less-than-significant cumulative impact to air quality from criteria air pollutants and precursor emissions.*	☐	☐	☐	☒
d) Expose sensitive receptors to substantial pollutant concentrations? **Comment** *The project consists of minor modifications to an existing automobile dealership that will not involve exposing sensitive receptors to substantial pollutant concentrations; thus no impact.*	☐	☐	☐	☒
e) Create objectionable odors affecting a substantial number of people? **Comment** *The project consists of remodeling an automobile dealership, expanding its display area, and constructing a car wash none of which would create any objectionable odors; thus no impact.*	☐	☐	☐	☒
IV. **BIOLOGICAL RESOURCES** -- Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? ***Comment:*** *The project will not have a substantial adverse affect on any wildlife species as the site is already developed*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
with buildings and parking area and is located within an established developed neighborhood and is not known to contain any or contribute to any species identified as a candidate, sensitive, or special status species.				
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service? ***Comment:*** *The project would have no substantial adverse effect on any riparian habitat as the property is developed and the site is located within an established developed area.*	☐	☐	☐	☒
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? **Comment** *The project site is a developed site that contains no wetlands; thus, no impact.*	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? ***Comment:*** *The site does not contain habitat used by migratory fish or wildlife nor is it a migratory wildlife corridor in that it is located within an existing developed area.*	☐	☐	☐	☒
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? **Comment** *The project site does not contain any significant stands of trees. Any significant trees located on-site and along the property frontages shall remain and be protected during construction, thus, no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? ***Comment:*** *There are no habitat conservation plans affecting the property.*	☐	☐	☐	☒
V. **CULTURAL RESOURCES** -- Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5? ***Comment:*** *There are no historical resources associated with the improvements on the site or the affected parcels. In addition, the surrounding properties have no historical significance, thus, no impact.*	☐	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5? ***Comment:*** *No known archaeological resources exist on the site.*	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? ***Comment:*** *No known paleontological resources exist on the site.*	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries? ***Comment:*** *There are no records of any human remains located on the subject sites. There are no improvements proposed as part of this project that are not on properties that have previously been developed. If future construction reveals human remains the developer would be required to contact the local coroner and, if determined necessary, the Native American Heritage Commission.*	☐	☐	☐	☒
VI. **GEOLOGY AND SOILS** -- Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	☐	☐	☐	☐

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. **Comment** *The affected parcels are located approximately 250 feet west of the Hayward Fault zone; however, any future buildings would be designed and constructed to comply with the California Building Code; thus the impact is considered less-than-significant.*	☐	☐	☒	☐
ii) Strong seismic ground shaking? **Comment** *The project site is located near the Hayward Fault which will most likely experience strong ground shaking in the event of an earthquake rupturing on the Hayward Fault; however, future buildings will be designed and constructed to withstand an earthquake; thus the impact is considered less-than-significant.*	☐	☐	☒	☐
iii) Seismic-related ground failure, including liquefaction? **Comment** *The project site is not located in an area prone to liquefaction due to seismic related ground failure; thus, no impact.*	☐	☐	☐	☒
iv) Landslides? **Comment** *The project site is a flat lot located in the downtown Hayward area and not located in an area impacted by landslides; thus, no impact.*	☐	☐	☐	☒
b) Result in substantial soil erosion or the loss of topsoil? **Comment** *The project site is a flat, fully developed lot whereby minimal grading will take place to accommodate future construction. The project will implement soil erosion measures during construction; thus the impact is considered less-than-significant.*	☐	☐	☐	☒
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? **Comment** *The project is not proposed on soil that is unstable; thus no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? **Comment** *The project site does not contain any expansive soils; thus, no impact.*	☐	☐	☐	☒
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? **Comment** *The project is connected to an existing sewer system with sufficient capacity and does not involve septic tanks or other alternative wastewater; thus, no impact*	☐	☐	☐	☒
VII. **GREENHOUSE GAS EMISSIONS** -- Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? **Comment** *Any commercial development that could occur on the parcels being rezoned from residential to commercial fall below the allowable screening criteria established by the Bay Area Air Quality Management District thus would not exceed the threshold of significance for Greenhouse gas emissions; thus no impact.*	☐	☐	☐	☒
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? **Comment** *The three parcels that are rezoned to commercial will be utilized as display parking for the automobile dealership and to construct a car wash facility. The project is consistent with applicable plans and policies for reducing greenhouse gas emissions; thus, no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
VIII. **HAZARDS AND HAZARDOUS MATERIALS** -- Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? **Comment** *The automobile dealership currently has mechanic shops that perform mechanical work and use petroleum by-products such as oil and waste oil, however, not in large enough volumes to pose a significant hazard to the public or the environment. The existing and proposed mechanics shops are regulated by the City of Hayward's Hazardous Materials Division and are required to meet all safety requirements. The project does not propose to changes the nature of the shops or their scope of work, thus, no significant impact.*	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? **Comment** *See VIII a).*	☐	☐	☒	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? **Comment** *There are no schools within one-quarter of a mile of the project sit, thus, no impact.*	☐	☐	☐	☒
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? **Comment** *The project site is not on a list of hazardous materials sites; thus, no impact.*	☐	☐	☐	☒
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? **Comment** *The project is not located within an airport land use plan area; thus, no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? **Comment** *The project is not located within the vicinity of a private air strip; thus, no impact*	☐	☐	☐	☒
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? **Comment** *The project site is midblock within a developed area fronting on O'Neil Avenue, a public street, and Mission Boulevard, a State highway and will not interfere with an adopted emergency response plans or evacuation plan; thus, no impact.*	☐	☐	☐	☒
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? **Comment** *The project site is not located within the City's Wildland Interface Area; thus no impact.*	☐	☐	☐	☒
IX. **HYDROLOGY AND WATER QUALITY** -- Would the project:				
a) Violate any water quality standards or waste discharge requirements? **Comment** *The project will comply with all water quality and wastewater discharge requirements of the City; thus, no impact.*	☐	☐	☐	☒
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? **Comment** *The project will be connected to the existing water supply and will not involve the use of water wells and will not deplete groundwater supplies or interfere with groundwater recharge; thus, no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? **Comment** *The project site is an infill site that is developed with an automobile dealership with a portion of the site that was previously developed with residential uses. All drainage from the site is required to be treated before it enters the storm drain system and there is sufficient capacity to handle any drainage from the property; thus, no impact.*	☐	☐	☐	☒
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? **Comment** *The project site is an infill site that is developed with an automobile dealership with a portion of the site that was previously developed with residential uses. All drainage from the site is required to be treated before it enters the storm drain system and managed such that post-development run-off rates do not exceed pre-development run-off rates; thus, no impact.*	☐	☐	☐	☒
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? **Comment** *The project site is an infill site that drains to an existing storm water main that has sufficient capacity to handle any drainage from the property; thus, no impact.*	☐	☐	☐	☒
f) Otherwise substantially degrade water quality? **Comment** *All drainage from the site drains into an existing drainage system that has sufficient capacity to serve the site and all drainage is required to be treated before it enters the storm drain system; thus, no impact.*	☐	☐	☐	☒
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
flood hazard delineation map? **Comment** *The project site is not located within a 100-year flood hazard area; thus, no impact.*				
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows? **Comment** *The project site is not located within a 100-year flood hazard area; thus, no impact.*	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? **Comment** *The project site is not located within a 100-year flood hazard area; thus, no impact.*	☐	☐	☐	☒
j) Inundation by seiche, tsunami, or mudflow? **Comment** *The project site is not located within a 100-year flood hazard area; thus, no impact.*	☐	☐	☐	☒
X. **LAND USE AND PLANNING** -- Would the project:				
a) Physically divide an established community? **Comment** *The proposal is to modify an existing automobile dealership within e an existing neighborhood that has a mixture of commercial and multi-family uses, therefore there would be no changed to the community; thus, no impact.*	☐	☐	☐	☒
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? **Comment** *The project involves a Zone Change from High Density Residential to General Commercial and to remove the Special Design Overlay District 2 from the City's Zoning Ordinance which requires new construction to comply with a Spanish Ranch design. Two of the parcels affect by the zone change have four vacant dilapidated residential structures on the site and the remainder parcel is currently being used a automobile display areas. An 8-foot-high mason*	☐	☐	☒	☐

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
wall will be required to be erected between the commercial use and the adjacent multifamily uses both a visual separation and a sound buffer. The Spanish ranch design requirement has not proved beneficial to the affected Mission Boulevard area and no longer reflects the design the City would like to see along Mission Boulevard. The commercial use and proposed modern design could be implemented without being out of place with other commercial designs and would be consistent to the area thus be considered less-than-significant.				
c) Conflict with any applicable habitat conservation plan or natural community conservation plan? **Comment** *The project site is not covered by any habitat conservation plan or natural community conservation plan; thus, no impact.*	☐	☐	☐	☒
XI. MINERAL RESOURCES -- Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? **Comment** *There are no known mineral resources on the project site; thus no impact.*	☐	☐	☐	☒
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? **Comment** *The project site is not identified as a site known to have mineral resources; thus, no impact.*	☐	☐	☐	☒
XII. NOISE -- Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? **Comment** *The project involves a Zone Change from High Density Residential to General Commercial and the removal of the Special Design Overlay District 2 from*	☐	☐	☒	☐

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
the Zoning Ordinance that requires new construction to comply with a Spanish Ranch design. Two of the parcels affect by the zone change have four vacant dilapidated residential structures on the site and the remainder parcel is currently being used a automobile display areas. An 8-foot-high mason wall will be required to be erected between the commercial use and the adjacent multifamily uses both a visual separation and a sound buffer. The project proposes to construct a car wash near the O'Neil Avenue street frontage. An Acoustical Analysis prepared by Colia Acoustical Consultants, dated September 13, 2011, determined that as long as the facility incorporates the Noise Reduction Package on the dryer unit and the car wash only operated between the hours of 7am to 9pm, no acoustical mitigation would be required. Conditions of Approval will require that that car wash operation conform to these requirements. In addition, the City is requiring a masonry wall to be constructed along the O'Neil Avenue frontage which will also contribute toward sound attenuation, thus the sound generated from the car wash would be considered less-than-significant.				
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? **Comment** *See XII a).*	☐	☐	☒	☐
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? **Comment** *See XII a).*	☐	☐	☒	☐
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? **Comment** *See XII a).*	☐	☐	☒	☐
	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? **Comment** *The project is not located within an airport land use plan area; thus, no impact.*				
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? **Comment** *The project is not located within the vicinity of a private air strip; thus, no impact.*	☐	☐	☐	☒
XIII. **POPULATION AND HOUSING** -- Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? **Comment**. *The project involves a Zone Change from High Density Residential to General Commercial which would result in the loss of five residential units. The proposed commercial project will not induce population growth, thus, no impact.*	☐	☐	☐	☒
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? **Comment**. *The project involves a Zone Change from High Density Residential to General Commercial which would result in the loss of five residential units which have been vacant for over five years, thus there is no significant impact.*	☐	☐	☒	☐
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? **Comment**. *The project involves a Zone Change from High Density Residential to General Commercial which would result in the loss of five residential units which have been vacant for over five years, thus, there is no replacement housing needed and there is no significant impact.*	☐	☐	☒	☐

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
XIV. **PUBLIC SERVICES** --				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	☐	☐	☐	☐
Fire protection?	☐	☐	☐	☒
Police protection?	☐	☐	☐	☒
Schools?	☐	☐	☐	☒
Parks?	☐	☐	☐	☒
Other public facilities? **Comment** *The project is proposing a commercial use within an urbanized area that is already served by police and fire. Since the use is commercial it would not have an impact on schools or parks. No mitigation is required*	☐	☐	☐	☒
XV. **RECREATION** --				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? **Comment** *The project is proposing a commercial use which would not create an impact on existing neighborhood and regional parks or other recreational facilities, thus, no impact.*	☐	☐	☐	☒
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? **Comment** *The project is proposing a commercial use which does not include require recreational facilities or require the construction or expansion of recreational facilities, thus, no impact.*	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
XVI. **TRANSPORTATION/TRAFFIC** -- Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit? **Comment** *The project will not conflict with any plan regarding effective performance of the circulation system., The project is a commercial project fronting on two streets providing adequate access; thus, no impact*	☐	☐	☐	☒
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways? **Comment.** *No level of service will be impacted by the commercial use on an existing in-fill lot; thus, no impact*	☐	☐	☐	☒
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? **Comment** *The project involves no change to air traffic patterns; thus, no impact*	☐	☐	☐	☒
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? **Comment** *The project has been designed to meet all City requirements, including site distance and will not increase any hazards; thus no impact.*	☐	☐	☐	☒
e) Result in inadequate emergency access? **Comment** *The project is on an in-fill site completely accessible and will not result in inadequate emergency access; thus, no impact.*	☐	☐	☐	☒
f) Conflict with adopted policies, plans, or	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities? **Comment** *The project does not involve any conflicts or changes to policies, plans or programs related to public transit, bicycle or pedestrian facilities; thus, no impact.*				
XVII. **UTILITIES AND SERVICE SYSTEMS** -- Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? **Comment** *The project will not exceed wastewater treatment requirements; thus no impact.*	☐	☐	☐	☒
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? **Comment** *There is sufficient capacity to accommodate the proposed project; thus, no impact.*	☐	☐	☐	☒
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? **Comment** *There is sufficient capacity in the existing storm drain system to accommodate the proposed project; thus, no impact.*	☐	☐	☐	☒
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? **Comment** *There is sufficient capacity to accommodate the proposed project; thus, no impact.*	☐	☐	☐	☒
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? **Comment** *There is sufficient capacity to accommodate the proposed project; thus, no impact.*	☐	☐	☐	☒
	☐	☐	☐	☒

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? **Comment** *There is sufficient capacity to accommodate the proposed project; thus, no impact.*				
g) Comply with federal, state, and local statutes and regulations related to solid waste? **Comment** *There is sufficient capacity to accommodate the proposed project; thus, no impact.*	☐	☐	☐	☒
XVIII. **MANDATORY FINDINGS OF SIGNIFICANCE** --				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? **Comment** *The project will not have any impacts on wildlife or fish habitat nor eliminate a plant or animal community; thus, no impact.*	☐	☐	☐	☒
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? **Comment** *As evidenced in the checklist above, it has been determined that the project will not have any significant impacts; thus no impact to cumulative impacts.*	☐	☐	☐	☒
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? **Comment** *The project will not have any environmental impacts thus will not cause substantial adverse effects on human beings; thus no impact.*	☐	☐	☐	☒

CITY OF
HAYWARD
HEART OF THE BAY

DATE: November 17, 2011

TO: Planning Commission

FROM: Tim R. Koonze, Associate Planner

SUBJECT: **Zone Change Application PL-2011-0283 / Text Amendment Application PL-2011-0348 / Site Plan Review Application PL-2011-0215 – Stantec, Larry Tidball (Applicant) / Auto Mission Ltd. (Owner)** – Request for a Zone Change from High Density Residential District to General Commercial District, Repeal the Mission Corridor Special Design Overlay District, and Site Plan Review Associated with a Proposed Renovation of the Toyota Dealership

The Properties to be Rezoned are 24690 Through 24710 O'Neil Avenue, the Properties of the Toyota Dealership Also Include 24760 and 24778 O'Neil Avenue and 24773 Mission Boulevard (Assessor's Parcel No's 444-36-34-3, 44-6, 45-6, 46, 47, and 48), Approximately 200 Feet North of Orchard Avenue, On a Through-Lot Having Frontage on Both Mission Boulevard and O'Neil Avenue, the Mission Corridor Special Design Overlay District Encompasses the Mission Boulevard Corridor Between Jackson Street and Harder Road

RECOMMENDATION

That the Planning Commission recommends that the City Council: 1) adopts the Initial Study and Negative Declaration, 2) approves the zone change for three parcels fronting O'Neil Avenue from High Density Residential (RH) District to General Commercial (CG) District, 3) approves the Zoning Ordinance text amendment to repeal the Mission Corridor Special Design Overlay (SD-2) District, and 4) approves the site plan review to expand and remodel the Toyota automobile dealership, based on the attached findings and the conditions of approval.

SUMMARY

The applicant is requesting to expand their display area, add a carwash facility and remodel existing buildings to reflect a more contemporary architectural style. The expansion requires rezoning three properties from a High Density Residential District to a General Commercial District. The remodeling to a modern contemporary building design requires a text amendment to repeal the special design district requiring Spanish architecture. The remodel of the site and building requires a site plan review to assure compatibility to other uses and residents.

The request to change the zoning of the three underutilized residential parcels from high density residential to general commercial is consistent with the general plan and would allow for the

BACKGROUND

The Toyota dealership site has two street frontages as the property extends from Mission Boulevard to O'Neil Avenue. It includes six separate parcels that would be required to be merged with this proposal. It is a flat parcel that has a slight slope towards the southwest corner of the property.

The existing automobile showroom office and two supporting maintenance and repair buildings were originally constructed for Chrysler in 1969 as a primary use on the portions of the property that are in the General Commercial Zoning District. The Toyota dealership moved to the site in 1991 and has been operating within the original buildings. According to City aerial photos, sometime between 2006 and 2009, auto display parking expanded onto one of the residential properties that is involved in the proposed zone change. The other two properties proposed for the zone change have vacant boarded-up structures consisting of three dilapidated detached single-family homes and one duplex that would be deconstructed and replaced with display parking (refer to Attachment II). The existing structures have no historical significance.

There are commercial uses to the east, across Mission Boulevard, and to the north and south of the property along Mission Boulevard. There are multi-family uses to the west, across O'Neil Avenue, and to the north and south of the property along O'Neil Avenue.

DISCUSSION

Project Description - The applicant proposes to expand the Toyota dealership site to include three properties to the northeast of the existing dealership that are currently zoned High Density Residential (refer to Attachment II). The expansion would create more automobile display parking and allow for the addition of a carwash building that would be installed for the exclusive, non-public use by the Toyota dealership. To expand the auto dealership onto these properties, the applicant is requesting that they be rezoned to General Commercial, to match the zoning of the rest of the property.

The applicant is also proposing to remodel the existing buildings on the Toyota dealership site with a modernist architectural design that would not be in keeping with the Mission Corridor Special Design Overlay District, which requires a Spanish ranch or California mission theme. To allow for the proposed design, the applicant has submitted a text amendment application requesting that the Mission Corridor Special Design Overlay District be repealed.

While automobile dealerships are a primary use in the General Commercial District, the site plan review would ensure that the proposed use would meet the goals of the site plan review which "is aimed at fostering development and the establishment of uses which take into account on-site and surrounding structures and uses to an attractive City physical and environmental constraints and traffic circulation so that the new development is accomplished in an orderly manner, complies with the of City development policies and regulations, and is operated in a manner determined to be acceptable and compatible with surrounding development".

Zone Change - The approval of a zone change is needed to allow the three underutilized residential properties that are zoned High Density Residential, which are located in the northwest portion of the existing Toyota dealership property, to be utilized for commercial use (refer to Attachment II). Changing the zoning to General Commercial (CG) District would be consistent with the zoning of the properties that currently support the dealership. The CG zoning would allow the properties to be used for additional display parking, create a better circulation area, and allow for the construction of the proposed carwash facility.

The largest of the three properties is a 0.6-acre parcel that is currently used for display parking. The other two properties combined contain 0.4 acre and consist of boarded-up, vacant multi-family dwellings that are proposed to be deconstructed. The properties where the proposed rezoning is proposed have a General Plan designation of Commercial/High Density Residential. The proposed CG zoning is consistent with this General Plan designation.

Additional traffic to the Toyota dealership as a result of the expansion and remodeling would be minimal as the expansion comprises additional display area and the construction of a carwash facility. The additional truck traffic for new car deliveries for the site for the additional display area would also be nominal. Additionally, the majority of the truck carriers currently unload vehicles on O'Neil Avenue and then drive the vehicles onto the site. Improved on-site circulation and a recommended condition of approval would require that all loading and unloading of trucks occur on-site, thus reducing impacts to the surrounding neighborhood (refer to Recommended Condition of Approval 10 in Attachment VIII).

The carwash facility would not be open to the public and would only be used to serve the automobiles sold at the dealership. All traffic created by the carwash would occur on-site. A sound study was performed by Colia Acoustical Consultants dated September 13, 2011, which concluded that, with the installation of a Noise Reduction Package on the dryer unit into the carwash, the noise generated from the carwash would reach a maximum of 69.6 decibels at the O'Neil Avenue property line (back of sidewalk). The City's Noise Ordinance allows 70 decibels at the property line between the hours of 7:00 a.m. and 9:00 p.m. within a residential area. A recommended condition of approval would require the use of the Noise Reduction Package and limit the operation of the carwash between the hours of 7:00a.m. and 9:00 p.m. (refer to Recommended Condition of Approval 9 a and b in Attachment VIII). Therefore the carwash facility would comply with the City's Noise Ordinance without any additional acoustical shielding, such as a sound wall.

Placement of an eight-foot-high masonry wall between the residential and commercial uses would act as a visual barrier and would also attenuate noise that may be generated from the commercial site. Other than the noise from the carwash, which has been addressed, the display would not generate any appreciable noise or activity, thus making the commercial use compatible with the adjacent residential uses.

Zone Change Findings - In order for the Zone Change Application to be approved, the following findings must be made.

A. Substantial proof exists that the proposed change will promote public health, safety,

convenience and general welfare of the residents of Hayward.

The zone change will allow the expansion and enhancement of an automobile dealership that is located within an area that has historically been considered "auto row." The maintenance of this land use provides for local and regional shopping opportunities and contributes to the City's economy proving beneficial to both the convenience and welfare to Hayward residents.

B. ***The proposed change is in conformance with the purposes of this Ordinance and all applicable, officially adopted policies and plans.***

The zone change would allow for the expansion of an existing automobile dealership that is consistent with the intent of maintaining commercial uses along Mission Boulevard and the zone change would be consistent with the General Plan land use designation of Commercial/High Density Residential.

C. Streets and public facilities existing or proposed area adequate to serve all uses permitted when the property is reclassified.

The public streets and facilities are adequate to serve the expanded automobile display area and carwash facility.

D. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

In conjunction with the zone change, the City is processing a site plan review application to ensure that the proposed expanded automobile display area and carwash facility would be compatible with the surrounding uses. Improved on-site circulation and a recommended condition of approval requiring that all loading and unloading of trucks occur on-site would ensure minimal impacts to the surrounding neighborhood. In addition, the site plan review is conditioned to provide an eight-foot high masonry wall between the commercial and residential uses. It would also require the carwash facility to incorporate a Noise Reduction Package on the dryer unit and would limit the operation of the carwash facility to the hours of 7:00 a.m. to 9:00 p.m. thereby, according to the sound study, conforming to the City's Noise Ordinance.

Text Amendment- To Repeal the Mission Boulevard Special Design Overlay District - The Mission Corridor Special Design Overlay District (Hayward Municipal Code Section 10-1.2615) requires that all construction that occurs along the Mission Boulevard corridor between Jackson Street and Harder Road be of a Spanish ranch or early California mission design (refer to Attachment III for limits to the Mission Corridor Special Design Overlay District). That design requires low spreading rooflines and warm earth color and textures. The Special Design Overlay District was established as a result of a strategy established in the Mission-Foothills Neighborhood Plan that was approved in 1992. The special design was suggested by the Mission-Foothills Task Force as a way to create a more unified appearance along the Mission Corridor.

Most of the buildings within the Special Design Overlay District were constructed prior to the establishment of the special design district and consist of boxy commercial architecture common in the 1950s and 60s. Renovation of these existing buildings to conform to the District's design requirements would be difficult and in some cases impossible as the district calls for *low spreading rooflines* used in single-story design and many of the existing buildings are two-story in height.

The requirement for all building construction to resemble a Spanish ranch design has not worked well in this district. There have been other dealerships that have implemented the special design requirements in their building architecture, such as the Honda and Volkswagen dealerships, with unsuccessful results. Although these buildings utilized some barrel-tile roof and earth-tone stucco siding, the primary architectural features are not consistent with the Spanish ranch design.

Also, the City is currently processing a specific plan and form-based code for this area that is scheduled for Council adoption in the fall of 2012. The proposed form-based code proposes to use the same design standards as the South Hayward BART/Mission Boulevard Form-Based Code that was approved by City Council on October 11, 2011. The proposed code encourages a high-density urban type of development that does not include any particular architectural design or style. The Spanish ranch or California mission design favors a lower-density suburban development.

It is staff's opinion that the subject site should be removed from the Mission Corridor Special Design Overlay District. The Spanish ranch and California mission architectural styles does not reflect the desired design nor is it well adapted to the type of buildings needed by auto dealerships. The removal of the design district would allow Toyota to have a design that is more in line with a modern automobile dealership incorporating crisp building lines and utilizing metal and glass for the showrooms, reflective of a more contemporary architectural style.

Text Amendment Findings - In order for the text amendment application to be approved, the following findings must be made. Staff's responses to those findings are included below.

A. ***Substantial proof exists that the proposed change will promote public health, safety, convenience and general welfare of the residents of Hayward.***

The proposed text amendment would prove beneficial to the welfare of Hayward residents in that it allows business wishing to expand or remodel more freedom in design, which would assist in attracting new businesses and promoting existing businesses, offering residents a greater variety of retail choices. Currently, it could be financially prohibitive to renovate existing buildings to conform to the Spanish design and in some cases, it could be impossible for the building to conform to the requirement of a *low spreading roofline.* In the cases of additions, not only would the addition have to meet the Spanish design theme, the entire façade of an existing building would also have to be remodeled. This could prove cost prohibitive for some businesses. The removal of the Spanish design requirement would make it easier for existing business to expand and new businesses to locate along Mission Boulevard, thereby creating more economic growth opportunities for businesses and a greater variety of retail choices for Hayward residents.

B. ***The proposed change is in conformance with the purposes of this Ordinance and all applicable, officially adopted policies and plans.***

Relevant stated purposes of the Zoning Ordinance are to, "retain and enhance established residential neighborhoods, commercial and industrial districts, regional-serving uses, and recreational amenities; allow for the infill and reuse [of] areas at their prevailing scale and character; and accommodate expansion of development into vacant and under-utilized lands within environmental and infrastructure constraints."

The removal of the Mission Corridor Special Design Overlay District would allow for a wider variety of architectural design and would provide more opportunities for expansion of existing businesses that would promote the general welfare of the City. Also, deletion of the Special Design Overlay District would be consistent with the Economic Development strategy identified in the General Plan that reads, "*Revitalize declining commercial and industrial areas and obsolete facilities through reasoning, redevelopment, rehabilitation and other available means.*" The expansion and remodel of the existing dealership will revitalize the Toyota dealership business and help strengthen Hayward's remaining "auto-row."

C. Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified.

The removal of Special Design Overlay District would not have an effect on the streets and public facilities.

D. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

Although the Mission Corridor Special Design Overlay District requires Spanish ranch and California mission design for new buildings and additions, it does not address modifications to existing buildings. In most cases, it is not feasible to renovate all existing buildings or portions of a building on a site within the special design area. The proposed form-based code for this area does not require the Spanish ranch/California mission architectural design theme, but rather focuses on creating transit and pedestrian-oriented neighborhoods that addresses the form of buildings, while allowing for more architectural freedom.

<u>*Site Plan Review*</u> - The applicant is proposing a modernist building design that replicates a brand design that Toyota is using in many of its other dealerships. The building design reflects the company, its products, and the sales campaign used for the past few years. Approval of the site plan would allow for such a design, as well as a site layout that allows for better on-site circulation, increased display area, merging of the service buildings, and the installation of a carwash facility.

The applicant proposes the architectural remodel of the showroom building that would include the use of metal panels, double-glazed glass and exterior plaster. A new entry portal leading to the showroom is proposed that would include translucent glass and steel members painted white. A

new porte-cochere is proposed on the south end of the showroom building where customers would pick-up their newly-purchased vehicle and Toyota staff would orient the car owner to the features of vehicle he/she purchased. The applicant proposes to remove the elongated maintenance building that parallels Mission Boulevard and expand the maintenance building located behind the primary showroom building, thereby minimizing the presence of the maintenance building as seen from Mission Boulevard.

The site would be designed to lessen the impact of the dealership to the surrounding properties. The site design includes 25 on-site customer parking spaces. Currently customers park along Mission Boulevard of wherever they can find room on site. The revised on-site circulation plan would also allow trucks to load and unload on-site. According to the Toyota Operations Manager, the majorities of the truck carriers unload the vehicles on O'Neil Avenue, then drive them onto the site.

Most high-end Toyota dealerships have carwashes. A carwash facility is proposed towards the rear of the property parallel to O'Neil Avenue. A condition of approval requires that the building be architecturally designed to be compatible with the multi-family units located across O'Neil Avenue by using architectural features and materials more commonly used in residential development. A sound study was performed by Colia Acoustical Consultants dated September 13, 2011, which concluded that acoustical shielding, such as a sound wall, would not be required as long as the carwash facility incorporates a Noise Reduction Package on the dryer unit for the carwash and the carwash operation is limited to the hours of 7:00 a.m. to 9:00 p.m. (refer to Condition of Approval 9 a and b in Attachment VIII). With these measures, there would be no need for any further sound attenuation. It should be noted that, although not required by the sound study, the eight-foot-high that would be installed along the O'Neil Avenue property frontage and along the side property lines (north and south) wherever the commercial use abuts residential uses. The wall would not only act as a visual barrier, but would create further sound attenuation to the residents from noise generated from the commercial site.

The masonry wall, along with a 10-foot-wide landscaped area located between the O'Neil Avenue sidewalk and the wall, would screen the commercial activity from the street and soften its presence along O'Neil Avenue. The wall, through architectural features, landscaping, and the use of anti-graffiti coating, would be designed to reduce the likelihood of graffiti. The wall would replace the existing chain link fence with razor ribbon (refer to Recommended Conditions of Approval 8 and 34 in Attachment VIII).

Site Plan Review Findings - In order for the Site Plan Review Application to be approved, the following findings must be made. Staff's responses to those findings are also included below.

A. The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City.

Ensuring the automobile dealership is compatible with surrounding uses would require the applicant to comply with the recommendations of the noise study, which requires the installation of a Noise Reduction Package on the dryer unit into the carwash and limiting the carwash operation to the hours of 7:00 a.m. to 9:00 p.m. In addition, an eight-foot high wall would be installed O'Neil Avenue frontage and along the side (north and south)

property lines wherever the commercial use abuts residential uses. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is also a larger site and better on-site circulation to accept delivery of car stock and all loading and unloading would occur on-site. The remodel of the existing dealership would result in an attractive addition to the City.

B. *The development takes into consideration physical and environmental constraints.*

The property slopes from Mission Boulevard to O'Neil Avenue with a slight slope from north to south as well. A new drainage system is being installed to meet current storm water clarification requirements. This drainage system is being designed to take advantage of the natural slope of the property and maximize overland flow, thereby minimizing future maintenance problems.

C. The development complies with the intent of City development policies and regulations.

The expansion of the automobile dealership is consistent with the Economic Development strategy identified in the General Plan that reads, "*Revitalize declining commercial and industrial areas and obsolete facilities through reasoning, redevelopment, rehabilitation and other available means.*" The expansion and remodel of the existing dealership will result in a more desirable business as viewed from Mission Boulevard, will help revitalize this business, and will help strengthen Hayward's remaining "auto-row."

D. The development will be operated in a manner determined to be acceptable and compatible with surrounidng development.

The proposed improvements will improve on-site circulation, provide adequate on-site customer parking, and provide a better barrier between the commercial use and adjoining residential properties. A noise study determined that the car wash facility, as conditioned, will meet the City's Noise Ordinance standards and, with the addition of an eight-foot-high decorative masonry wall to provide a visual and sound attenuation barrier between commercial and residential properties would make the proposed use compatible with the adjoining residential properties. Traffic impacts would be nominal in that, although the dealership is expanding its display area, there is a larger site and with better on-site circulation that is capable of provide on-site loading and unload of trucks which currently perform this function along the O'Neil Avenue frontage.

Environmental Review - An Initial Study and Negative Declaration have been prepared for the project pursuant to the California Environmental Quality Act (CEQA) (see Attachment IV). No significant environmental impacts are expected to result from the project. The review period for the environmental documents ends November 28, 2011, prior to the anticipated City Council hearing.

PUBLIC CONTACT

On July 18, 2011, a Referral Notice was mailed to every property owner and occupant within 300 feet of the subject site, as noted on the latest County Assessor's records. Planning staff received no responses as a result of that notification.

On October 31, 2011, a Notice of this Public Hearing was published in *The Daily Review*. At the time of completion of this report, the Planning Division had not received any correspondence related to such notice.

NEXT STEPS

The applications have been tentatively scheduled for a public hearing in front of the City Council on December 20, 2011. The decision of the City Council would be final.

Prepared by: Tim R. Koonze, Associate Planner

Recommended by:

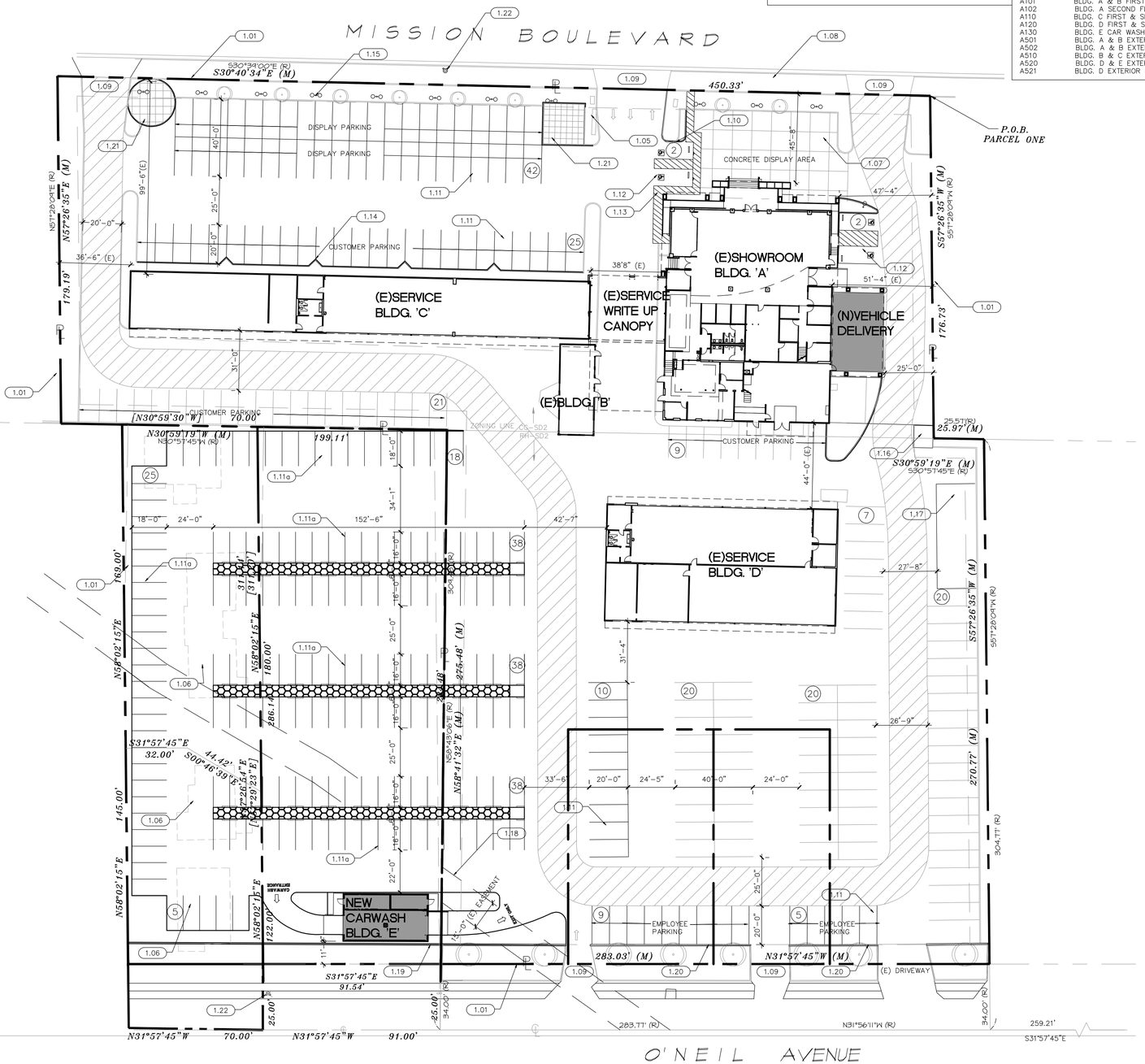
Richard Patenaude, AICP
Planning Manager

Approved by:

David Rizk, AICP
Development Services Director

Attachments:

Attachment I	Area Map
Attachment II	Site Plan Aerial
Attachment III	Mission Corridor Special Design Overlay (SD-2) District
Attachment IV	Initial Study Checklist and Negative Declaration
Attachment V	Findings for Approval for the Zone Change Application
Attachment VI	Findings for Approval for the Text Amendment Application
Attachment VII	Findings for Approval for the Site Plan Review Application
Attachment VIII	Recommended Conditions of Approval
Attachment IX	Development Plans



LEGEND

- FIRE LANE
- NEW CONSTRUCTION THIS PHASE
- NEW BIOSWALE

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SP1	SITE PLAN– PHASE 1
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KEY NOTES (1.01)

DIVISION 1 – GENERAL CONDITIONS/ EXISTING ITEMS

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1.02	DEMO EXISTING PLANTER CURB.
1.03	EXISTING SHRUBS, TREES & LANDSCAPING.
1.04	EXISTING CONCRETE PLANTER CURB, TYP.
1.05	EXISTING SIGN.
1.06	EXISTING BUILDINGS TO BE DEMOLISHED
1.07	EXISTING CONCRETE AUTO DISPLAY PAD TO REMAIN.
1.08	EXISITNG PUBLIC SIDEWALK
1.09	EXISTING DRIVEWAY
1.10	NEW CONCRETE PLANTER CURB.
1.11	NEW STANDARD 9' X 20' CUSTOMER/DISPLAY PARKING.
1.11a	NEW STANDARD 9' X 18' DISPLAY PARKING
1.12	NEW 9' X 20' HANDICAPPED PARKING SPACE.
1.13	NEW PATH OF TRAVEL.
1.14	NEW LANDSCAPE PLANTER
1.15	EXISTING SITE LIGHT FIXTURE, TYP.
1.16	EXISTING TRASH ENCLOSURE
1.17	EXISTING STORAGE CONTAINER
1.18	EXISTING EASEMENT
1.19	NEW 8' HIGH CMU SOUND WALL.
1.20	EXISTING 5' HIGH CMU WALL– INCREASE HEIGHT TO 8'
1.21	NEW RAISED CONCRETE DISPLAY PAD
1.22	EXISTING OFF SITE FIRE HYDRANT TO REMAIN

PROJECT DATA

ZONING: CG–SD2/RH–SD2

APN# 444–0036–034–03, 444–0036–044–06, 444–0036–045–06, 444–0036–046–00, 444–0036–047–00

SITE AREA: 189,507 S.F. (4.35 ACRES)

BUILDING AREA: 33,057 SF

BUILDING	AREA	OCCUPANCY	TYPE OF CONST
BUILDING A :		B & S2	TYPE IIIB
FIRST FLOOR (E):	9,099 SF		
SECOND FLOOR (E):	2,565 SF		
NVD CANOPY (N) :	1,209 SF		
TOTAL BLDG. A:	12,873 SF		
BUILDING B :		B	TYPE IIIB
FIRST FLOOR (E) :	870 SF		
SERVICE CANOPY (E):	2,640 SF		
BUILDING C :		S1	TYPE IIIB
FIRST FLOOR (E) :	7,561 SF		
BUILDING D :		S1	TYPE IIIB
FIRST FLOOR (E) :	7,222 SF		
SECOND FLOOR (E) :	796 SF		
TOTAL BLDG. D	8,018 SF		
BUILDING E :		B	TYPE IIIB
FIRST FLOOR (N)	1,095 SF		

LOT COVERAGE: 17.4%

SCOPE OF WORK

IMAGE UPGRADE AND RENOVATION OF AN EXISTING TOYOTA DEALERSHIP & ADDITION OF CAR WASH BLDG.

REMDEL OF FRONT FACADE TO ADD NEW ENTRY PORTAL LEADING TO THE SHOWROOM. THE NEW PORTAL WILL BE OF TRANSLUCENT GLASS & STEEL MEMBERS PRIMED & FINIHED IN TOYOTA WHITE GLOSS.

- THE SHOWROOM STOREFRONT CURTAIN WALL WILL BE REFINISHED TO MATCH CLEAR ANODIZED ALUM..
- WRAP THE SHOWROOM EXTERIOR AND SERVICE WRITE UP AREA WITH NEW ACM PANELS COORDINATED WITH THE NEW ENTRY PORTAL.
- THE REMAINDER OF THE BUILDING EXTERIOR WILL BE REFINISHED & REPAINTED.
- NEW SIGNAGE WILL BE INSTALLED. DETAILS OF THE SIGNAGE TO BE PROVIDED SEPARATELY.
- INTERIOR REMODELING AND NEW INTERIOR FINISHES NOT A PART OF CITY DESIGN REVIEW.

PARKING CALCULATION

CUSTOMER/EMPLOYEE PARKING REQUIRED:

SALES– 8,636 SF/250 SF = 35 STALLS

PARTS– 4,7511 SF/1000SF = 05 STALLS

SERVICE–19,670 SF/600 = 33 STALLS

TOTAL PARKING = 73 STALLS (INC. 3 ACCESSIBLE STALLS)

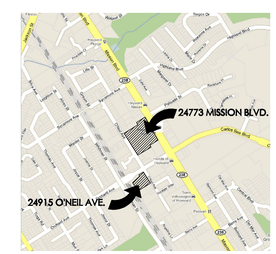
PARKING PROVIDED:

CUSTOMER/EMPLOYEE PARKING: = 73 STALLS

DISPLAY PARKING = 281 STALLS

TOTAL PARKING = 354 STALLS (INC. 4 ACCESSIBLE STALLS)

VICINITY MAP



NORTH

TRUE NORTH

PROJECT NORTH

0 15 30 60 90 120

SCALE: 1"=30'–0"

Stantec Architecture Inc.
19 Technology Drive
Irvine CA 92618 US
Ph: (949) 923-6000
Fx: (949) 923-6121
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9-21-2011	2ND PLANNING SUBMITTAL
6-29-2011	1ST PLANNING SUBMITTAL

DO NOT USE FOR CONST UNLESS INITIALED AND DAT

PROJECT MGR. DAT

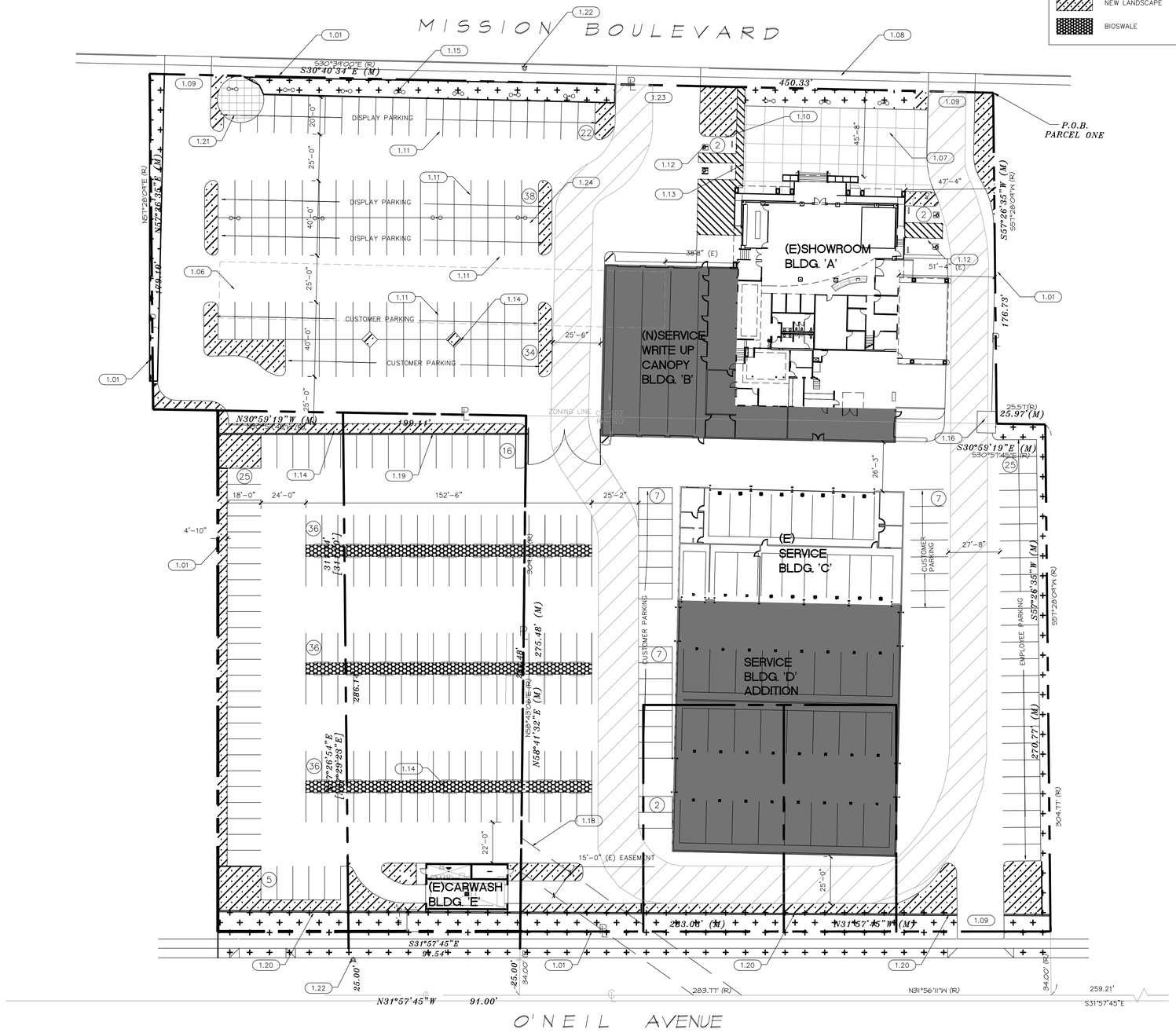
RS – –
DWN. CHKD. DSGN. DATE

HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

SITE PLAN– PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

SP1



LEGEND

- FIRE LANE
- NEW CONSTRUCTION THIS PHASE
- (E) LANDSCAPE
- NEW LANDSCAPE
- BIOSWALE

KEY NOTES (1.01)

DIVISION 1 – GENERAL CONDITIONS/ EXISTING ITEMS

1.01 EXISTING PROPERTY LINE.
1.02 DEMO EXISTING PLANTER CURB.
1.03 EXISTING SHRUBS, TREES & LANDSCAPING.
1.04 EXISTING CONCRETE PLANTER CURB, TYP.
1.05 EXISTINGI SIGN TO BE RELOCATED
1.06 EXISTING CONCRETE SWALE
1.07 EXISTING CONCRETE AUTO DISPLAY PAD TO REMAIN.
1.08 EXISITNG PUBLIC SIDEWALK
1.09 EXISTING DRIVEWAY
1.10 NEW CONCRETE PLANTER CURB.
1.11 NEW STANDARD 9' X 20' CUSTOMER PARKING.
1.12 NEW 9' X 20' HANDICAPPED PARKING SPACE.
1.13 NEW PATH OF TRAVEL.
1.14 NEW LANDSCAPE PLANTER
1.15 EXISTING SITE LIGHT FIXTURE, TYP.
1.16 EXISTING TRASH ENCLOSURE
1.17 EXISTING STORAGE CONTAINER
1.18 EXISTING EASEMENT
1.19 NEW 8' HIGH CMU WALL
1.20 EXISTING CMU WALL
1.21 NEW RAISED CONCRETE DISPLAY PAD
1.22 EXISTING OFF SITE FIRE HYDRANT TO REMAIN
1.23 NEW DRIVEWAY
1.24 NEW SITE LIGHT FIXTURE TO MATCH EXISTING

PROJECT DATA

ZONING: CG–SD2/RH–SD2

APN# 444–0036–034–03, 444–0036–044–06, 444–0036–045–06, 444–0036–046–00, 444–0036–047–00

SITE AREA: 189,507 S.F. (4.35 ACRES)

BUILDING AREA: 45,971 SF

BUILDING	AREA	OCCUPANCY	TYPE OF CONST
BUILDING A :		B & S2	TYPE IIIB
FIRST FLOOR (E):	9,099 SF		
SECOND FLOOR (E):	2,565 SF		
NVD CANOPY (E) :	1,209 SF		
TOTAL BLDG. A:	12,873 SF		
BUILDING B :		B	TYPE IIIB
FIRST FLOOR (N) :	2,932 SF		
SERVICE CANOPY (N):	5,048 SF		
TOTAL BLDG. B:	7,980 SF		
BUILDING C :		S1	TYPE IIIB
FIRST FLOOR (E) :	7,222 SF		
SECOND FLOOR (E) :	796 SF		
TOTAL BLDG. C:	8,018 SF		
BUILDING D :		S1	TYPE IIIB
FIRST FLOOR (N)	15,985 SF		
BUILDING E :		B	TYPE IIIB
FIRST FLOOR (E)	1,095 SF		

LOT COVERAGE: 24.2%

SCOPE OF WORK

BUILDING DEMOLITION OF EXISTING SERVICE WRITE UP & SERVICE & ADDITION TO THE SHOWROOM & EXISTING BLDG. "D"

THE CURRENT SERVICE WRITE UP & SERVICE SPACES WILL BE DEMOLISHED & RELOCATED AS ADDITION TO EXISTING BUILDINGS "A" & "D".

EXTERIOR FINISHES WILL MATCH PHASE 1 CONSTRUCTION.

- NEW SIGNAGE WILL BE INSTALLED. DETAILS OF THE SIGNAGE TO BE PROVIDED SEPARATELY.
- INTERIOR REMODELING AND NEW INTERIOR FINISHES NOT A PART OF CITY DESIGN REVIEW.

PARKING CALCULATION

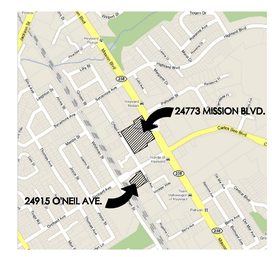
CUSTOMER/EMPLOYEE PARKING REQUIRED:

SALES– 8,636 SF/250 SF = 35 STALLS
PARTS– 6,201 SF/1000SF = 06 STALLS
SERVICE–24,465 SF/600 = 41 STALLS
TOTAL PARKING = 82 STALLS (INC. 4 ACCESSIBLE STALLS)

PARKING PROVIDED:

CUSTOMER/EMPLOYEE PARKING: = 86 STALLS
DISPLAY PARKING = 214 STALLS
TOTAL PARKING = 300 STALLS (INC. 4 ACCESSIBLE STALLS)

VICINITY MAP



NORTH

TRUE NORTH

PROJECT NORTH

0 15 30 60 90 120

SCALE: 1"=30'-0"

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	9–21–2011	2ND PLANNING SUBMITTAL		
	6–29–2011	1ST PLANNING SUBMITTAL		

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PROJECT MGR. DATE

RS – –
DWN. CHKD. DSGN. DATE

HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

SITE PLAN- PHASE 2

JOB No. 2007101005
PERMIT No.
PROJECT No.

SP2

DRAWING: v:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_sp2.dwg PLOTTED: 9/21/2011 9:28 AM BY: Kelkar, Vandana

KEY NOTES

2.1 COBBLE SWALE BIO-FILTRATION TRENCH PER DETAIL 'A' THIS SHEET.

2.2 5' WIDE CONCRETE SWALE AND BIO-FILTREATION TRENCH PER DETAIL 'C' THIS SHEET.

2.3 BIO-FILTRATION TRENCH UNDER PAVED AREAS PER DETAIL 'B' THIS SHEET.

2.4 STORM DRAIN INLET.

2.5 STORM DRAIN TURNING STRUCTURE.

2.6 PAVED PARKING AREA.

2.7 CONNECT TO EXISTING DRAIN INLET.

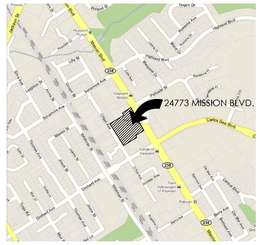
2.8 EXISTING 15' WIDE STORM DRAIN EASEMENT PER RE322 O.R.IM200. (72" STORM DRAIN)

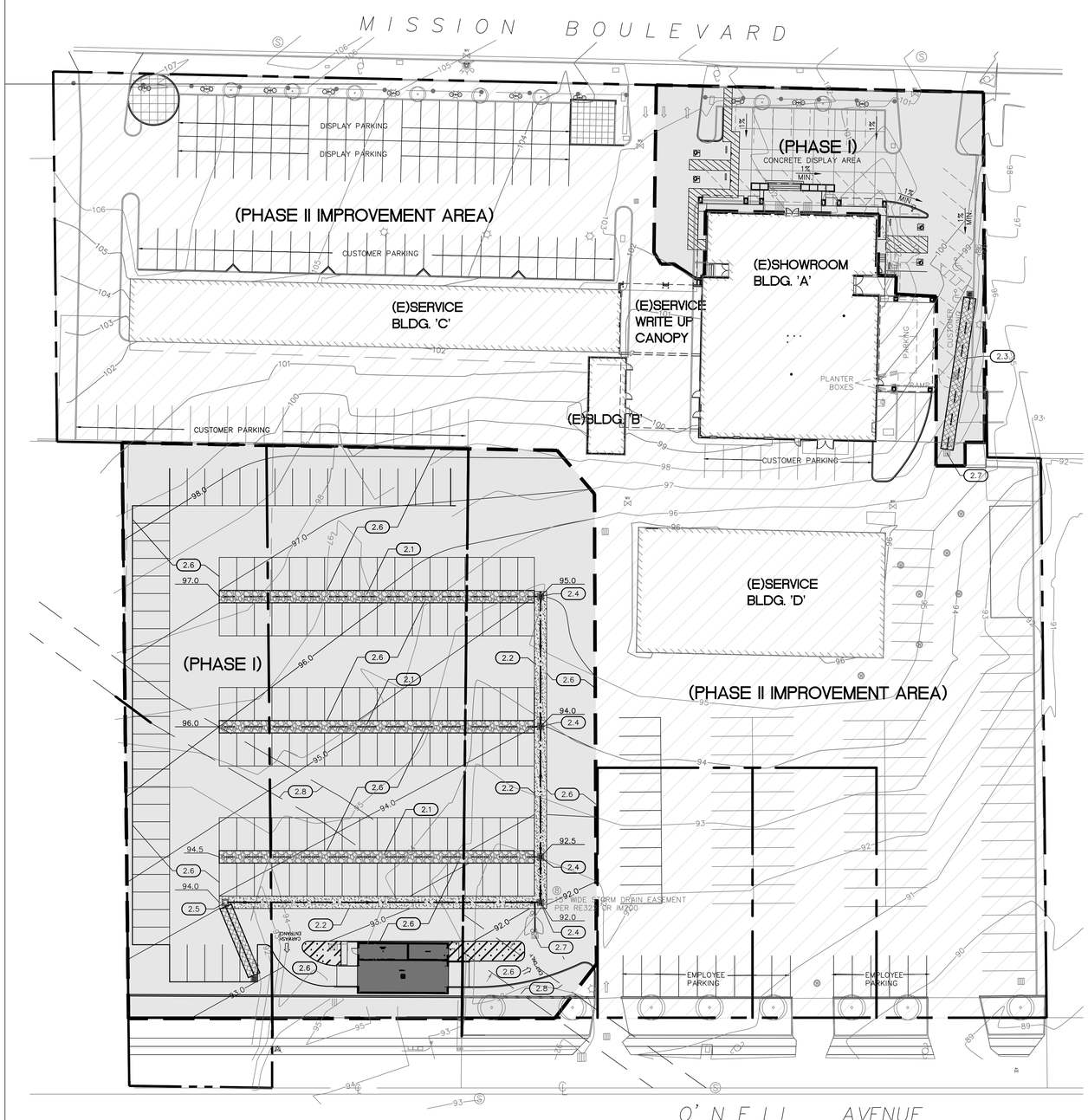
LEGEND

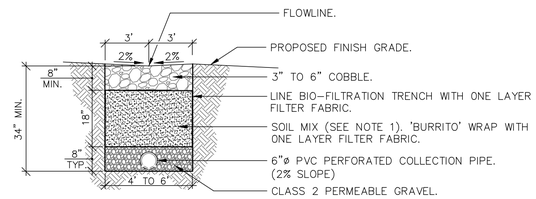
0.00 (E) OR 0.00 (E)	EXISTING SPOT ELEVATION
34.2 TC	PROPOSED SPOT ELEVATION
0.00	PROPOSED CONTOURS
(000)	EXISTING CONTOURS
	DIRECTION OF DRAINAGE FLOW
N 0° 0' 00" W	PROPERTY LINE
	GRADE BREAK
	NEW CONCRETE SWALE PER SECTION 'C' BELOW
	NEW COBBLE SWALE PER SECTION 'A' BELOW
	NEW BIO-FILTRATION TRENCH IN PAVED AREAS PER SECTION 'A' BELOW

BW	BACK OF WALK	TC	TOP OF CURB
FF	FINISH FLOOR	TG	TOP OF GRATE
FL	FLOW LINE	TP	TOP OF PAVEMENT
LIP	EDGE OF SWALE OR GUTTER	FG	FINISH GRADE
TS	TOP OF SLAB	TW	TOP OF WALK
GB	GRADE BREAK	CF	CURB FACE

VICINITY MAP



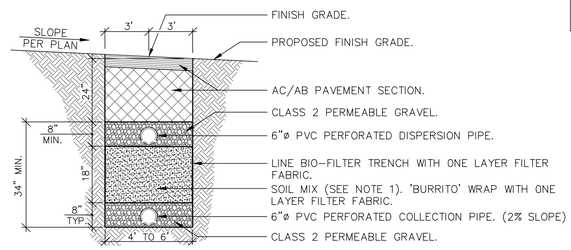




NOTE:

1. COARSE SAND WITH LESS THAN 15% FINES AND NO CLAY OR WASHED CONCRETE SAND WITH LESS THAN 15% FINES WITH LESS THAN 5% PASSING #200 SIEVE.

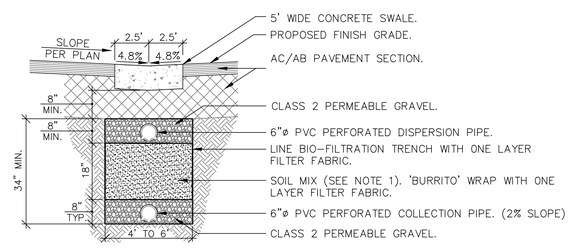
BIO-FILTRATION TRENCH AT COBBLE SWALE (A)
N.T.S.



NOTE:

1. COARSE SAND WITH LESS THAN 15% FINES AND NO CLAY OR WASHED CONCRETE SAND WITH LESS THAN 15% FINES WITH LESS THAN 5% PASSING #200 SIEVE.

BIO-FILTRATION TRENCH (B)
N.T.S.



NOTE:

1. COARSE SAND WITH LESS THAN 15% FINES AND NO CLAY OR WASHED CONCRETE SAND WITH LESS THAN 15% FINES WITH LESS THAN 5% PASSING #200 SIEVE.

BIO-FILTRATION TRENCH AT CONCRETE SWALE (C)
N.T.S.

BENCHMARK INFORMATION

THE GRADING DESIGN SHOWN HEREON IS BASED ON A FIELD SURVEY PERFORMED SLOOTEN CONSULTING, INC., DATED MARCH 13, 2006 AND UPDATED APRIL 13, 2006.

1. BENCHMARK CITY OF HAYWARD

CITY OF HAYWARD DISC LOCATED IN THE CENTERLINE OF O'NEILL AVE. ACROSS FROM 24698 O'NEILL AVE. WITH AN ELEVATION OF 93.93' WAS USED AS THE BENCHMARK FOR THIS SURVEY.

TOPOGRAPHIC AND BOUNDARY INFORMATION

BENCHMARK, BASIS OF BEARING, BOUNDARY AND TOPOGRAPHIC INFORMATION SHOWN HEREON IS FROM THE ALTA/ACSM LAND TITLE SURVEY PREPARED BY SLOOTEN CONSULTING, INC., DATED MARCH 13, 2006 AND UPDATED APRIL 13, 2006.

FLOOD ZONE NOTE

1. THIS PROJECT IS IN FLOOD ZONE "C" FEDERAL EMERGENCY MANAGEMENT AGENCY (F.E.M.A.) FLOOD INSURANCE RATE MAP (F.I.R.M.) ON COMMUNITY PANEL NO. 065033011E, DATE FEBRUARY 9, 2000".
2. PER CITY OF HAYWARD RECORDS THIS SITE IS OUTSIDE OF A FLOOD HAZARD ZONE.

TRUE NORTH

PROJECT NORTH

0 15 30 60 90 120

SCALE: 1"=30'-0"

MLB ENGINEERING
1488 GEORGIA COURT
ROHNERT PARK,
CALIFORNIA 94928
TEL (707) 585-1369 FAX (707) 293-9157

Stantec Architecture Inc.
19 Technology Drive
Irvine CA 92618 US
Ph: (949) 923-6000
Fx: (949) 923-6121
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NO.	DATE	REVISION / MILESTONE	APP.	DATE
	8-19-2011	2ND PLANNING SUBMITTAL		
	6-29-2011	1ST PLANNING SUBMITTAL		

DO NOT USE FOR CONST. UNLESS INITIALED AND DATED

PROJECT MGR. DATE

RS – – –
DWN. CHKD. DSGN. DATE

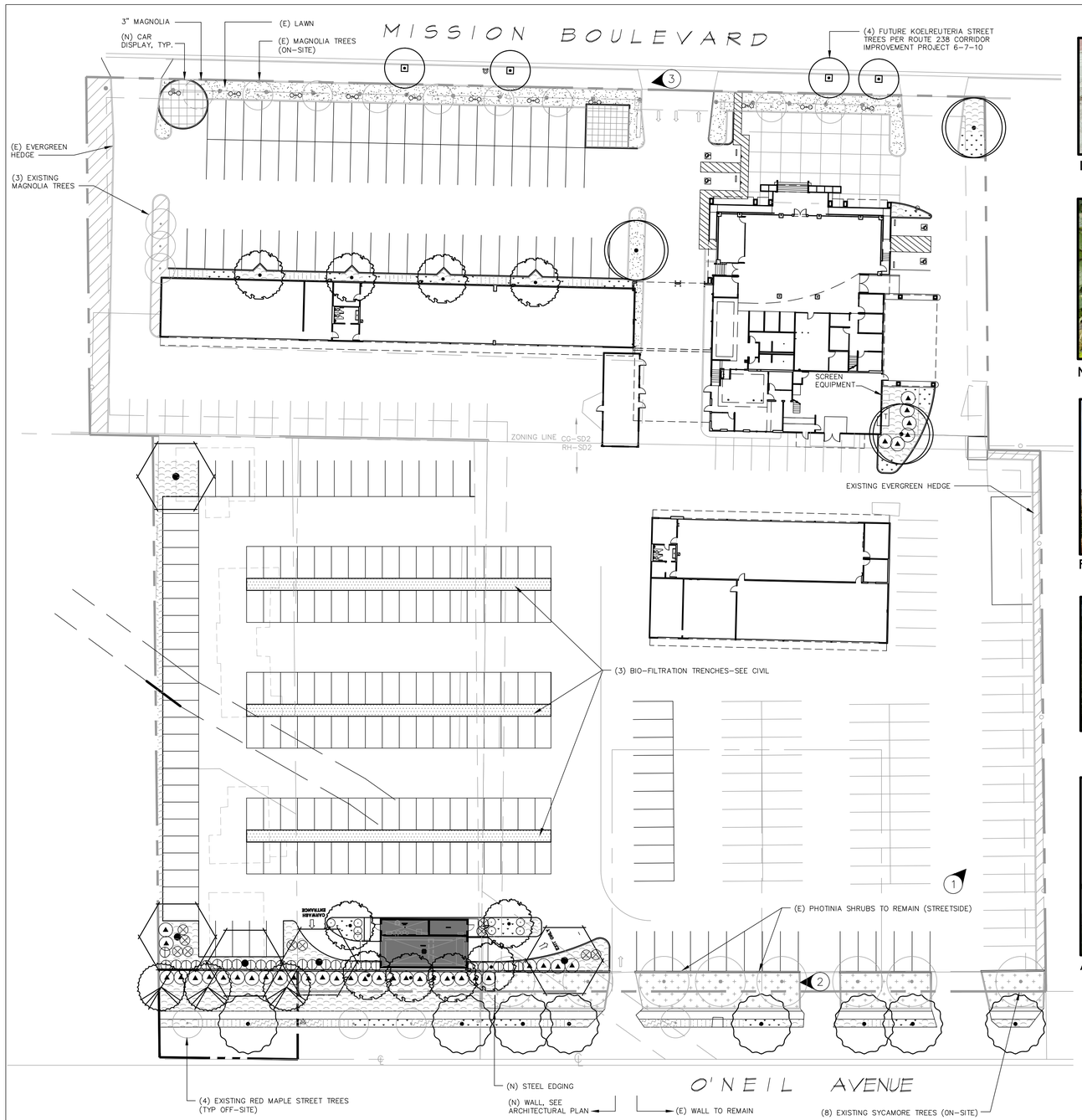
HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

CONCEPTUAL GRADING AND WATER QUALITY PLAN (PHASE 1)

JOB No. 2007101005
PERMIT No.
PROJECT No.

C-1

DRAWING: m:\projects\autonation\autonat - 001 hayward toyota\dwg\2007101005_sp phase 1 - standard\c-1 - prelim grading_water quality.dwg PLOTTED: 9/20/2011 4:21 PM BY: Mike



LANTANA

MULENBERGIA

NANDINA

PHORMIUM

PHOTINIA

MYRSINE

MAGNOLIA

PITTOSPORUM

FESTUCA

HELICTOTRICHON

ACER

ARBUTUS

PLATANUS

PLANTING LEGEND

SYMBOL	SIZE	QTY.	MATURE HEIGHT	BOTANICAL NAME	WATER REQMT * H, L, M HIGH, LOW, MEDIUM	COMMON NAME
TREES						
	15 GAL.	13	25'	PHOTINIA FRASERI, STD.	M	FRASERS PHOTINIA
	15 GAL.	3	30'	MAGNOLIA 'SAMUEL SOMMERS'	M	SAMUEL SOMMERS MAGNOLIA
	15 GAL.	8	40'	ACER RUBRUM –O'NEIL STREET (OR PER CITY)	M	RED MAPLE
	15 GAL.	4	40'	ARBUTUS 'MARINA'	L	–
	15 GAL.	3	40'	PLATANUS RACEMOSA		
	–	1	–	EXISTING TREE TO BE REMOVED APPROXIMATE LOCATION	–	–
	–	19 ONSITE 4 OFFSITE (O'NEIL)	–	EXISTING TREE TO REMAIN APPROXIMATE LOCATION	–	–
	–	3340	–	EXISTING LANDSCAPING TO REMAIN	–	–
	–	3555	–	EXISTING LAWN TO REMAIN	–	–
	–	4	–	FUTURE STREET TREES BY CITY	–	–
SHRUBS						
	5 GAL.	13	8'	MYRSINE AFRICANA 'SCARLETT MARGIN'	L	VARIEGATED AFRICAN BOXWOOD
	5 GAL.	8	4'	MULENBERGIA DUMOSA	L	BAMBOO MUHLY
	5 GAL.	10	4'	PHORMIUM COOKIANUM 'TRICOLOR'	L	NEW ZEALAND FLAX
	5 GAL.	34	7'	PITTOSPORUM TOBIRA 'VARIEGATA'	L	TOBIRA
GROUNDCOVERS / MASS PLANTINGS						
	BIO-FILTRATION TRENCH PER CIVIL	2280 S.F.	–	SEE CIVIL UN-IRRIGATED		
	1 GAL. 36" O.C.	806 S.F.	30"	NANDINA 'HARBOR DWARF'	L	DWF HEAVENLY BAMBOO
	1 GAL. 18" O.C.	312 S.F.	18"	FESTUCA AMYTHESTINA 'SUPERBA'	L	TUFTED FESCUE
	1 GAL. 36" O.C.	1501 S.F.	30"	HELICHTOTRICHON SEMPERVIRENS	L	BLUE OAT GRASS
	–	3577 S.F.	–	WOOD MULCH, 3" DP		
	1 GAL. 36" O.C.	4017 S.F.	24"	LANTANA MONTEVIDENSIS	L	LANTANA
SITE FEATURES – TYPICAL						
	20 L.F.	STEEL EDGING				
	NOT SHOWN	ROOT BARRIER: INSTALL AT TREES (EXCEPT PALMS) PLANTED 4' OR LESS FROM CURBS, BUILDINGS, OR PAVEMENT. HOWARD WIRE CLOTH COMPANY, HAYWARD, CA. (510)887-8787 OR 24" LINEAR PLASTIC PANEL FROM DEEP ROOT OR EQUAL.				

TOTAL LANDSCAPED AREA: 7,518 S.F.

SEE SHEET L2 FOR ALL CALCULATIONS, LANDSCAPE STATEMENT, BAY FRIENDLY CHECKLIST, ETC.

NOT FOR BIDDING OR CONSTRUCTION
THESE DRAWINGS ARE UNDER REVIEW AND SUBJECT TO REVISIONS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO OBTAIN FINAL DRAWINGS, (INITIALED IN TITLE BLOCK), BEFORE FINALIZING BIDS OR BEGINNING CONSTRUCTION.

TRUE NORTH

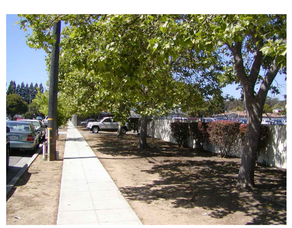
PROJECT NORTH

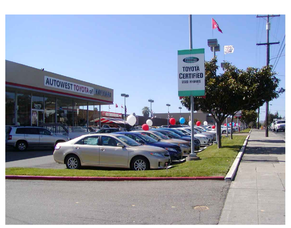
0 15 30 60 90 120

SCALE: 1"=30'-0"

EXISTING CONDITIONS PHOTOS

1


2


3

VICINITY MAP

NOT TO SCALE

NORTH

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Ph: (949) 923-6000
Fx: (949) 923-6121
stantec.com

Stantec

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FT. LAUDERDALE, FL
33301

NO.	DATE	REVISION / MILESTONE	APP.	DATE
	9-21-2011	2ND PLANNING SUBMITTAL		
	6-29-2011	1ST PLANNING SUBMITTAL		

REGISTERED LANDSCAPE ARCHITECT
MAISHA RUTH #2238
SIGNATURE
6 / 30 / 11
RENEWAL DATE
9-21-11
DATE
STATE OF CALIFORNIA

DO NOT USE FOR CONST. UNLESS INITIALED AND DATED

PROJECT MGR.		DATE
RS	–	–
DWN.	CHKD.	DSGN.	DATE

HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

PRELIMINARY LANDSCAPE PLAN - PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

L1

DRAWING: K:\hayward\architectural\2007101005\land\9 plancheck\2007101005 L1.dwg DATE/TIME: 9/21/2011 10:51 AM BY: Beth Hasiak

PROJECT INFORMATION

Include the following information on the title sheet of the planning application and building permit submittal package. The submittal package without the following project information will be rejected.

Project Type: REMODEL - AUTO DEALERSHIP

☐ Single Family Hillside Residential: new (__ of units) / remodel / addition

☐ Multi-Family Residential: new (__ of units) / remodel / addition / hillside / flat

☒ Commercial (non-residential): new / remodel / addition

Project Size:

Total Project Size: 189,507 SF Square Feet

Total Irrigated Landscaping: _____ Square Feet

Project Contact Information including phone numbers and E-mail addresses:

Project Applicant: LARRY TIDBALL FOR STANTEC ARCHITECTURE INC.

Property Owner: AUTONATION

Project Name: HAYWARD TOYOTA Building Permit No.: _____

Project Address: 24773 MISSION BLVD. Planning Permit No.: _____

Water Supply Type: (potable) / recycled / well / others If others, specified: _____

Water Budget Calculation (in gallons or cubic feet/year):

Maximum Applied Water Allowance (MAWA): 233,749 Estimated Total Water Use: 141,096

I. Required Landscape Statement Submittal: *Address the followings and provide the statement and illustrate on the landscape plan at the time of Precise Plan, Site Plan, and Use Permit Review.*

1. Consider regional and micro-climatic, topography, solar orientation and soil conditions.
2. Explain how water conservation and long term green waste reduction goal will be achieved.
3. Explain how integrated and/or organic pest control practice would be proposed during soil preparation.
4. Explain how proposed landscape design complements architectural style, form, building colors and materials, and project and building entrances.

1

5. Explain how the proposed landscape improvements make positive contribution physically and aesthetically to surrounding neighborhoods.
6. Explain how safety, function and aesthetical enhancements for pedestrian network and experience are addressed.
7. Explain the type of landscape buffers to adjacent land use with combination of trees, shrubs, vines and groundcovers are provided.
8. Maximize the use of permeable paving types as recommended by Bay-Friendly Landscape Guidelines and Alameda County Clean Water Program. Reference websites: www.StopWaste.org, and http://www.cleanwaterprogram.org/businesses_developers.htm.
9. Maximize usage of recycled material in all aspects of construction material.
10. Screen parking, loading, service areas, utilities, solid building surfaces, retaining walls, masonry walls, and fences with trees, shrubs and vines.
11. Allow space for plants to mature, and not to cause damage to pavement or underground utilities.
12. Select appropriate type of plants to preserve sight distance at site entries/exits and internal circulation routes without shearing.
13. Erosion control: Plant deep-rooted plants on slopes; and specify jute mesh netting or equal on slopes 3:1 or steeper, or on slopes showing signs of erosion.
14. Select diverse plant species to display various texture, form, foliage color, flowers, seasonal color, and attract wild life.
15. For projects located along the arterial streets, street frontage landscaping is consistent with guidelines in ***Landscape Beautification Plan*** (LBP).

    Comment: Arterials covered by the LBP consist of Jackson Street, "A" Street, Foothill Boulevard, Hesperian Boulevard, Mission Boulevard, Winton Avenue, Harder Road, Tennyson Road, Industrial Boulevard/Parkway, "B" Street, Second Street, Fairview Avenue, and Hayward Boulevard. Copies of the LBP are available at the Planning Division and on the City's website at www.hayward-ca.gov.

16. Projects located in the Hayward hills and in the urban/wildland interface areas must conform with Hayward's ***Hillside Design and Urban/Wildland Interface Guidelines***

    Comment: The Hayward hills are generally defined as the areas east of Mission Boulevard and south of "D" Street. Properties subject to the interface provisions are designated by the Hayward Fire Department and typically include sites that abut open space or riparian corridors. Copies of the Guidelines are available at the Planning Division and on the City's website at www.hayward-ca.gov.

17. State water conservation, run-off control and erosion control measures through irrigation design.
18. State type of irrigation system to be used.
19. State if stockpiling topsoil would be practiced.
20. State the intent to recycle minimum 50% of landscape construction and green waste.

2

City of Hayward Required Landscape Statement - Project Information Form

1. **Local conditions have been considered in the design.**
2. **Drought tolerant plantings have been used and a target irrigation system will be designed for new plantings.**
3. **Soil preparation requires a sols test and the use of organic compost and all organic amendments. The health of the soil and plantings as a result will foster the development of beneficial insects.**
4. **Landscape design complements existing plantings with the use of similar plantings, the use of future streetscape plantings for Mission Boulevard, the use of color at entries and the use of a variety of plants providing flowering and foliage color and interest. The scale of plantings will soften building facades and the darker green foliage will contrast building color.**
5. **The new plantings will provide screening of the facility from O'Neil and will provide streetscape plantings for the public use. Overall aesthetics of the site will be improved with the additional plantings.**
6. **Plantings will frame walks, define drives, provide shade for pedestrians and bring buildings into the pedestrian scale.**
7. **A wall is planned to screen the new car wash facility from adjacent residences on O'Neil. Evergreen trees, shrubs and ground covers will soften the wall and provide a more residential feel to the facility.**
8. **A large portion of the site is dedicated for on-site storm water management that will provide permeability. This area will be covered in fescue grasses that will help filter runoff and provide both uptake and gradual percolation into the soil.**
9. **Contractor will be asked to use recycled materials as available.**
10. **Site is fenced or walled on three sides.**
11. **Plants are located to fill planter space and away from existing utilities.**
12. **Maximum height of plantings at visibility triangles from drives is 30".**
13. **Jute mesh will be required on all slopes 3:1 or greater.**
14. **Diverse plant materials have been selected.**
15. **Streetscapes are planted in conformance of existing city plans.**
16. **Site is not in hills.**
17. **AB 1881 will be applied on this project. Newly planted areas will be irrigation with target irrigation-no spray. Existing lawns will be retrofit with Hunter MP Rotator nozzles.**
18. **Drip and bubblers will be used on new plantings.**
19. **Topsoil will be stockpiles as appropriate.**
20. **Permit plans will require the contractor to recycle a min. of 50% of the construction waste.**

AB 1881 LANDSCAPE DOCUMENTATION - NEW PLANTS

X **PROJECT INFORMATION**

PROJECT APPLICANT: HAYWARD TOYOTA
PROJECT ADDRESS:
LANDSCAPE AREA: 7,518
PROJECT TYPE: NEW, RENOVATION,
WATER SUPPLY TYPE:
CLIENT CONTACT:
PROJECT CONTACT: LARRY TIDBALL, STANTEC, (949)923-6903

X **WATER EFFICIENT LANDSCAPE WORKSHEET**

HYDROZONE TABLE

HYDRO-ZONE *	VALVE # VALVE USE	IRRIGATION METHOD **	AREA S.F.	% OF LANDSCAPE AREA	PLANT FACTOR (FROM WUCOLS)
LW	# 0 SHRUBS & GNDCVR	D	7518	100%	0.30
LW	# 0 TREES	B	N/A	0%	0.30
MW	# 0 TREES	B	N/A	0%	0.50
TOTAL			7518	100.0%	

* HYDROZONE
0 - 0.3 LW=LOW WATER USE PLANTS
0.4 - 0.6 MW=MODERATE WATER USE PLANTS
0.7 - 1.0 HW=HIGH WATER USE PLANTS

** IRRIGATION METHOD
MS = MICROSPRAY B=BUBBLER
S=SPRAY D=DRIP
R=ROTOR O=OTHER

WATER BUDGET CALCULATIONS

MAXIMUM APPLIED WATER ALLOWANCE (MAWA)

ETO	41.8
CONVERSION FACTOR	0.62
ET ADJUSTMENT FACTOR	0.7
LANDSCAPE AREA S.F. (INCL. SLA)	7518
ADDIT WATER ALLOW FOR SLA	0.3
SPECIAL LANDSCAPE ALLOWANCE S.F.	0

MAWA=(ETO)(CONV FACTOR)[(ET ADJ FACTOR X LANDSCAPE S.F.)+(ADDIT WATER ADJ X SLA S.F.)]

MAWA= 136,385.54 Gal/Yr

ESTIMATED TOTAL WATER USE (ETWU)

$$ETWU=(ETO)(CONV\ FACTOR)\left[\frac{(PLANT\ FACTOR\ X\ HYDROZONE\ AREA) + (SPECIAL\ LSCAPE\ ALLOWANCE\ S.F.)}{IRRIGATION\ EFFICIENCY}\right]$$

LOW WATER USE HYDROZONES

ETO	41.8
CONVERSION FACTOR	0.62
PLANT FACTOR	0.3
HYDROZONE AREA S.F.	7,518
IRRIGATION EFFICIENCY	0.71
SPECIAL LANDSCAPE ALLOWANCE S.F.	0
ETWU=	82,325.28 Gal/Yr

MODERATE WATER USE HYDROZONES

ETO	41.8
CONVERSION FACTOR	0.62
PLANT FACTOR	0.5
HYDROZONE AREA S.F.	0
IRRIGATION EFFICIENCY	0.71
SPECIAL LANDSCAPE ALLOWANCE S.F.	0
ETWU=	0.00 Gal/Yr

HIGH WATER USE HYDROZONES

ETO	41.8
CONVERSION FACTOR	0.62
PLANT FACTOR	0.7
HYDROZONE AREA S.F.	0
IRRIGATION EFFICIENCY	0.71
SPECIAL LANDSCAPE ALLOWANCE S.F.	0
ETWU=	0.00 Gal/Yr

ETWU= 82325.277 Gal/Yr
ETWU= 60% MAWA

X **SOIL MANAGEMENT REQUIREMENTS**

POST GRADING HORTICULTURAL APPRAISEL REQUIRED.
WATER QUALITY REPORT REQUIRED ON RECYCLED WATER
RE-EVALUATION OF PLANT SELECTION REQUIRED WITH

Bay-Friendly Basic Practices Checklist for Private Development

Project Name: TOYOTA HAYWARD **Project Number:** _____

Landscape Architect: MAISHA RUTH, ASLA **CA License Number:** #2238

Phone Number: (707)658-4707

Each project is required to meet any seven (7) of the following nine (9) Practices.
In addition to this minimum requirement, each project is encouraged to meet all 9 of the Practices, plus 60 points on the Bay-Friendly Civic and Commercial Landscape Scorecard, which is available at www.BayFriendly.org

Yes	No	Measure & Requirement
✓		1. Mulch all shrub areas with 3 inch layer of mulch. **Requirement:** All soil on site is protected with a minimum of 3 inches of mulch after construction. **Reference:** Bay-Friendly Scorecard item C.6.a.
✓		2. Amend soil with compost before planting. **Requirement:** Compost is specified as the soil amendment, at the rates indicated by a soil analysis to bring the soil organic matter content to a minimum of 3.5% by dry weight or 1 inch of compost. Option 1: Require import topsoil to meet organic matter content of a minimum 3.5% by dry weight. Option 2: submit soils report that identifies existing topsoil meets organic matter content of 3.5% by dry weight or greater. **Reference:** Bay-Friendly Scorecard item C.7.a.i.
✓		3. Reduce and Recycle Landscape Construction Waste. **Requirement:** Divert 50% of landscape construction and demolition waste by volume or weight. **Reference:** Bay-Friendly Scorecard item D.2.a.
✓		4. Choose and Locate Plants that Grow to Natural Size and Avoid Shearing. **Requirement:** No plant species will require shearing. Select species and spacing to allow plants to grow to natural size and shape without shearing at any point in the lifespan of the plant, excluding structural and regular maintenance pruning. Plant spacing shall not allow plants to grow into adjacent buildings, sidewalks, roadways, or adjacent landscape areas. **Reference:** Bay-Friendly Scorecard item E.1.a.
✓		5. Do not Plant Invasive Plant Species. **Requirement:** None of the plant species listed by CAL-IPC as invasive in the San Francisco, Bay Area are included in the planting design. **Reference:** Bay-Friendly Scorecard item E.2.a.
✓		6. Grow Drought tolerant California Native, Mediterranean or Climate Adapted Plants. **Requirement:** A minimum of 75% of the total number of plants in the non-turf areas must be species that require no or little summer watering once established. Species should be adapted to the climate in which they will be planted, as referenced by a third party source. Plants shall be rated for moderate or occasional water use for this region and climate. **Reference:** Bay-Friendly Scorecard item E.3.a.i.
✓		7. Minimize Turf. **Requirement:** A maximum of 25% of total irrigated area is specified as turf, with sports or multi-use fields exempted. **Reference:** Bay-Friendly Scorecard item E.4.c.i.
✓		8. Specify Automatic Weather-Based Irrigation Controller with Soil Moisture and/or Rain Sensor. **Requirement:** A Weather-based irrigation controller, soil moisture based controller, or other self-adjusting irrigation controller, shall be required for entire irrigation system. **Reference:** Bay-Friendly Scorecard item F.2.a.
✓		9. Sprinkler and Spray Heads are Not Specified in Areas less than 8 Feet Wide. **Requirement:** Sprinkler and spray heads are not specified in areas less than or equal to 8 feet wide to prevent overspray and runoff. Acceptable alternatives include bubbler or drip with subsurface rigid lateral pipes. Bubblers shall not exceed 1.5 gallons per minute per bubbler. **Reference:** Bay-Friendly Scorecard item F.2.b.

CITY SPECIFIC REQUIREMENTS

- ✓ LANDSCAPE STATEMENT PROVIDED.
- ✓ 9 OF 9 BAY FRIENDLY PRINCIPALS MET.
- ✓ EXISTING PLANT MATERIALS SHOWN – IDENTIFIED.
- ✓ PLAN PREPARED BY LICENSED LANDSCAPE ARCHITECT.
- ✓ NO PROTECTED TREES TO BE REMOVED. PER CITY, NO ARBORIST REPORT REQUIRED.
- ✓ STREET TREES ARE 24" BOX.

SUSTAINABLE NOTES

1. ALL PLANTING AREAS SHALL BE COVERED FIRST WITH A 2" LAYER OF ORGANIC COMPOST THEN WITH CORRUGATED CARDBOARD AND TOPDRESSED WITH A 3" (MINIMUM) DEEP LAYER OF 3/4" MINUS WOOD CHIP MULCH.
2. REFER TO ARCHITECTURAL AND CIVIL PLANS FOR DESCRIPTIONS OF ELEMENTS NOT IDENTIFIED ON THIS PLAN.
3. OBSERVE THE FOLLOWING MINIMUM SETBACK DISTANCES FOR TREE PLANTING :
   - BETWEEN STREET TREES = 30 FT.
   - DRIVEWAY CUTS AND FIRE HYDRANTS = 7 FT.
   - UTILITY BOXES, MANHOLE AND OTHER UTILITY VAULTS, TELEPHONE AND OTHER UTILITY POLES, GAS AND WATER METER, AND MAINS = 5 FT.
4. ALL SURFACE AND SUB-SURFACE SWALES, DRAINAGE STRUCTURES AND PATTERNS SHALL BE MAINTAINED.
5. A LICENSED LANDSCAPE MAINTENANCE CONTRACTOR WILL BE RETAINED TO PERFORM ROUTINE MAINTENANCE DUTIES ON A PERMANENT BASIS.
6. LOCATIONS AND QUANTITIES OF EXISTING LANDSCAPE MATERIALS ARE APPROXIMATE.
7. PLANTER SOIL SHALL BE AMENDED AS DESCRIBED BY A LABORATORY SOIL ANALYSIS. ORGANIC COMPOST AND AMENDMENT TO BE USED.
8. ALL LANDSCAPE CONSTRUCTION WASTE TO BE RECYCLED AS APPROPRIATE.
9. NO PLANTS SELECTED REQUIRE SHEARING
10. OBTAIN ALL MATERIALS LOCALLY (WITHIN 50 MILES) AS POSSIBLE.
11. CONTRACTOR TO ARRANGE FOR CERTIFICATION & AUDIT PER CITY REQUIREMENTS.
12. EROSION CONTROL MATTING TO BE USED ON ALL SLOPES 3:1 AND GREATER.

SUSTAINABLE DESIGN CHECKLIST

GOING GREEN

- ✓ GROUND COVER DESIGNED TO PROVIDE 100% VEGETATED COVER IN 2-3 YRS. ON AT LEAST 50% OF THE LANDSCAPE AREA.
- ✓ NON-INVASIVE PLANTS USED
- ✓ EROSION OF SOIL MINIMIZED WITH PLANT STABILIZATION, MULCH, JUTE NETTING, OTHER
- ✓ LOW MAINTENANCE PLANTINGS USED OVER 80% OF LANDSCAPE AREA
- ✓ LAWNS MINIMIZED
- ✓ PLANTS SELECTED BASED ON AVAILABLE PLANTER AREA
- ✓ WATER CONSERVING PLANTING DESIGN
- ✓ DEEP TILLING REQUIRED TO REDUCE COMPACTION
- ✓ MULCH DEPTH 3" TO REDUCE EVAPOTRANSPIRATION
- ✓ EXISTING PLANTINGS PRESERVED AND PROTECTED
- ✓ IRRIGATION DESIGN IS WATER CONSERVING
- ✓ SOILS TEST REQUIRED FOR IMPROVING SOILS
- ✓ 50% PAVING IS SHADED SEE CACLCULATION ON SHEET L1
- ✓ BMP'S FOR STORM RUNOFF USED INCLUDING (LIST THEM)
  - ☑ WATER QUALITY – TRENCHES

ALL NEW LANDSCAPING IS LOW WATER USE HYDROZONE AND WILL BE IRRIGATED WITH POTABLE WATER.

PER GEOTECH REPORT, (E) SOILS ARE CLASSIFIED AS CLAY. WATERING SCHEDULE AND SOILS CONDITIONING FOR BIDDING IS BASED ON THIS CLASSIFICATION. CONTRACTOR TO FIELD CONFIRM WITH REQUIRED POST GRADING SOILS TESTS. ADJUST WATER SCHEDULE ACCORDINGLY.

LINEAR ROOT BARRIER SPECIFIED. DO NOT USE PLASTIC BOX BARRIERS.

NOT FOR BIDDING OR CONSTRUCTION

THESE DRAWINGS ARE UNDER REVIEW AND SUBJECT TO REVISIONS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO OBTAIN FINAL DRAWINGS, (INITIALED IN TITLE BLOCK), BEFORE FINALIZING BIDS OR BEGINNING CONSTRUCTION.

WATER CONSERVATION CONCEPT

A DRIP SYSTEM SHALL BE INSTALLED IN ALL NEW PLANTERS. IRRIGATION SYSTEMS SHALL BE EQUIPPED WITH A CONTROLLER CAPABLE OF DUAL PROGRAMMING. PLANTS SHALL BE GROUPED INTO "HYDROZONES" AND IRRIGATED SEPARATELY FROM THOSE WITH DIFFERENT WATER REQUIREMENTS. RAIN SHUT-OFF TO BE PROVIDED ON NEW CONTROLLER

Stantec Architecture Inc.
19 Technology Drive
Irvine CA 92618 US
Ph: (949) 923-6000
Fx: (949) 923-6121
stantec.com

The Contractor shall verify and be responsible for all dimensions. DO NOT scale the drawing - any errors or omissions shall be reported to Stantec Architecture Inc. without delay. Copyrights to all designs and drawings are the property of Stantec. Reproduction or use for any purpose other than that authorized by Stantec is forbidden.

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FT. LAUDERDALE, FL
33301

NO.	DATE	REVISION / MILESTONE	APP.	DATE
	9-21-2011	2ND PLANNING SUBMITTAL		
	6-29-2011	1ST PLANNING SUBMITTAL		

REGISTERED LANDSCAPE ARCHITECT
MAISHA RUTH #2238
SIGNATURE
6 / 30 / 11
RENEWAL DATE
8-31-11
DATE
STATE OF CALIFORNIA

DO NOT USE FOR CONST. UNLESS INITIALED AND DATED

PROJECT MGR. DATE

DRWN. CHKD. DSGN. DATE

HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

PRELIMINARY LANDSCAPE NOTES AND CALCS - PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

L2

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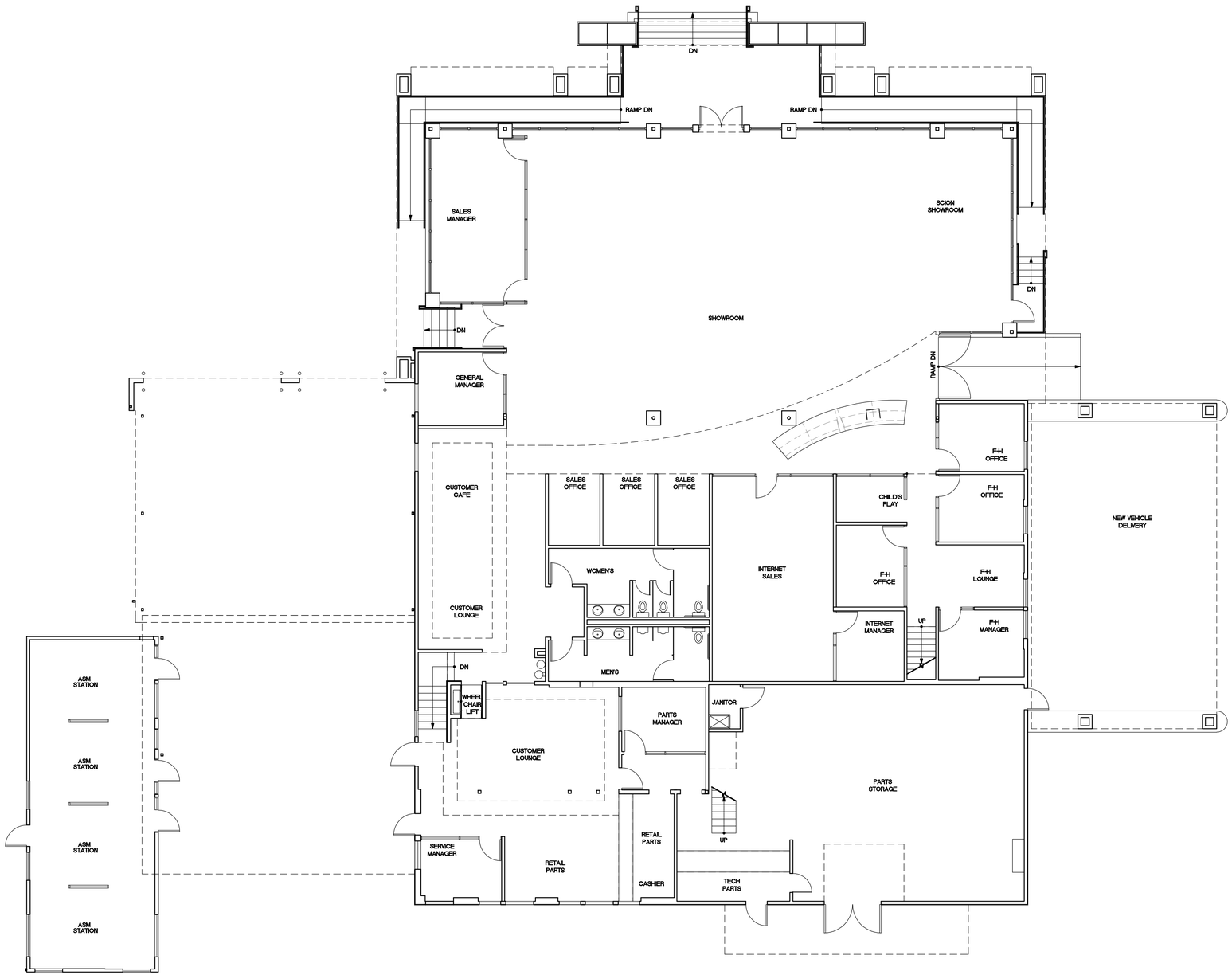

PROJECT NORTH

0 8 16 24 32 40

SCALE: 1/8"=1'-0"

KEY NOTES (1.01)

GENERAL NOTES

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19 Technology Drive
Irvine CA 92618 US
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	6-29-2011	1ST PLANNING SUBMITTAL		

DO NOT USE FOR CONST. UNLESS INITIALED AND DATED

PROJECT MGR. DATE

DWN. CHKD. DSGN. DATE

HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

EXISTING BLDG. 'A' + 'B'
FIRST FLOOR PLAN
PHASE I

JOB No. 2007101005
PERMIT No.
PROJECT No.

A101

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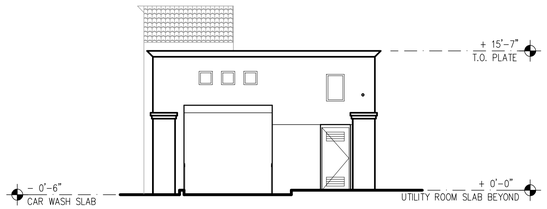

SOUTH ELEVATION - CARWASH

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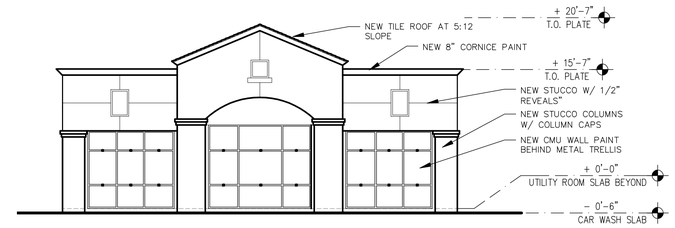
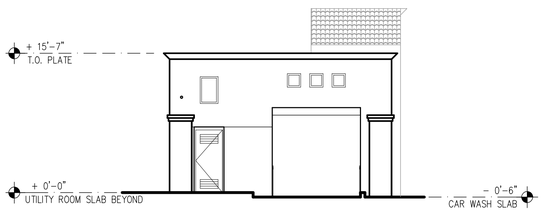
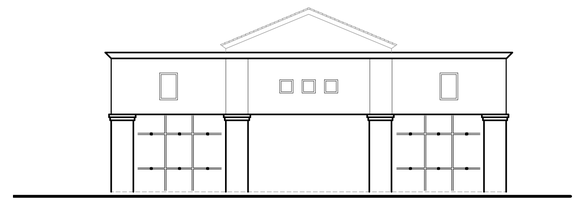


WEST ELEVATION - CARWASH- BLDG. WALL

SCALE: 1/8"=1'-0"



NORTH ELEVATION - CARWASH



EAST ELEVATION - CARWASH- BLDG. WALL

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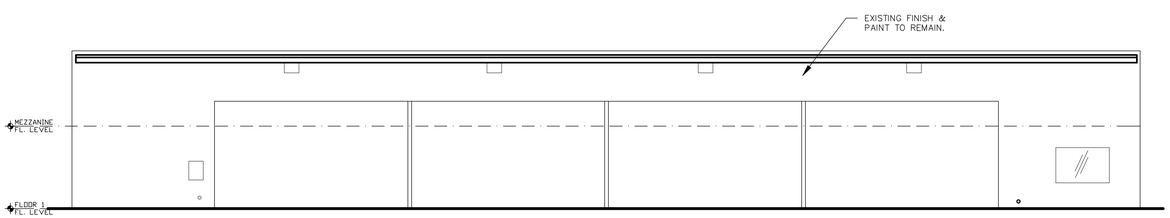

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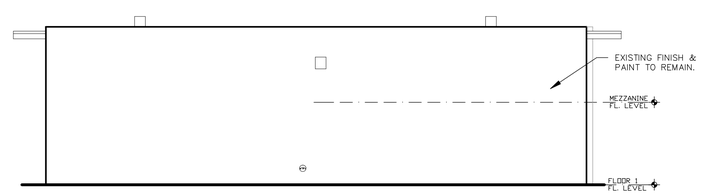

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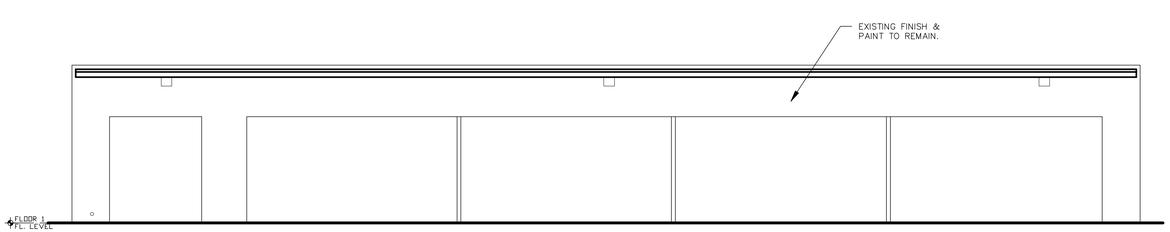

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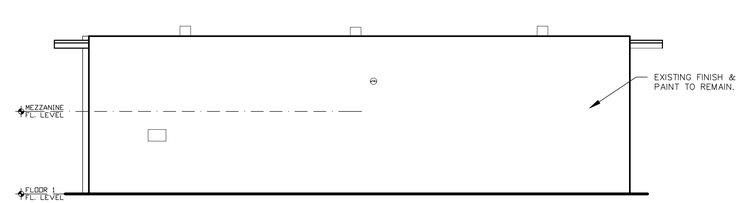

EXISTING NORTH ELEVATION - BUILDING 'D' SCALE: 1/8"=1'-0"

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NO.	DATE	REVISION / MILESTONE	APP.
	9-21-2011	2ND PLANNING SUBMITTAL	
	6-29-2011	1ST PLANNING SUBMITTAL	

DO NOT USE FOR CONST. UNLESS INITIALED AND DATED

PROJECT MGR. DATE

RS – –
DWN. CHKD. DSGN. DATE

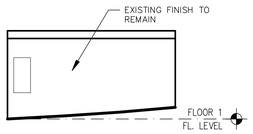
HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(N) BLDG 'E' + (E) BLDG 'D'
PHASE 1

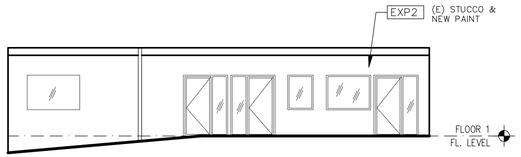
JOB No. 2007101005
PERMIT No.
PROJECT No.

A520

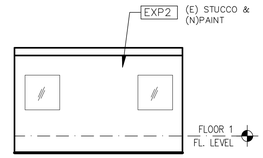
DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a520.dwg PLOTTED: 9/21/2011 9:25 AM BY: Kelkar, Vandana



EXISTING EAST ELEVATION - BUILDING 'B' SCALE: 1/8"=1'-0"



SOUTH ELEVATION - BUILDING 'B' SCALE: 1/8"=1'-0"



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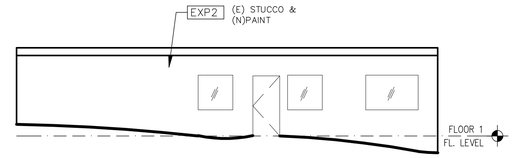

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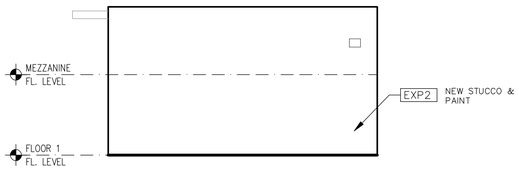

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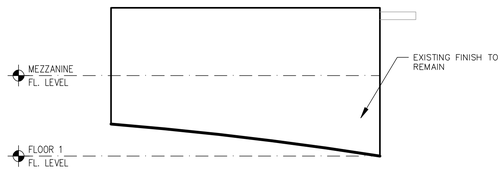

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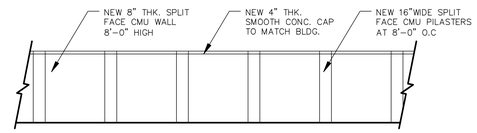
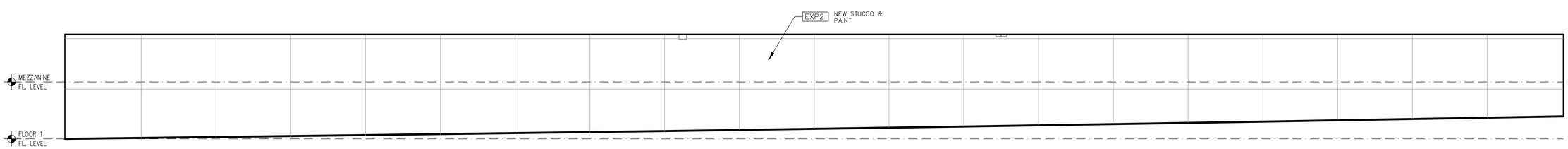
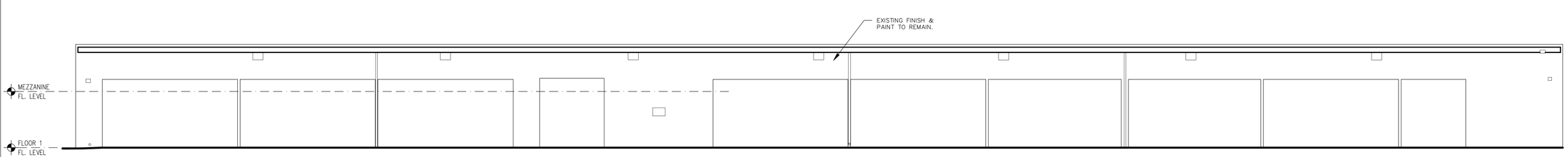


NEW WEST FENCE WALL SCALE: 1/8"=1'-0"



EXISTING EAST ELEVATION - BUILDING 'C' SCALE: 1/8"=1'-0"



EXISTING WEST ELEVATION - BUILDING 'C' SCALE: 1/8"=1'-0"

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	6-29-2011	1ST PLANNING SUBMITTAL		

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PROJECT MGR. DATE

DWN.	CHKD.	DSGN.	DATE
RS	–		–

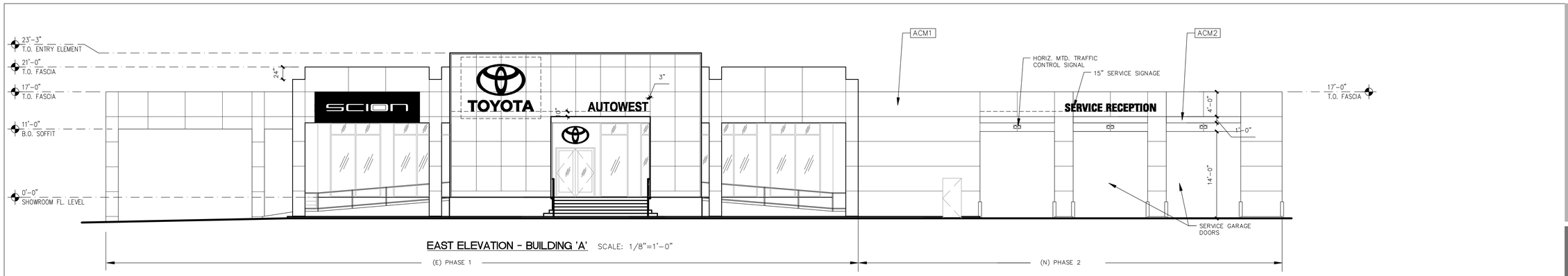
HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(E) BLDG. 'B' + (E) BLDG 'C'
PHASE 1

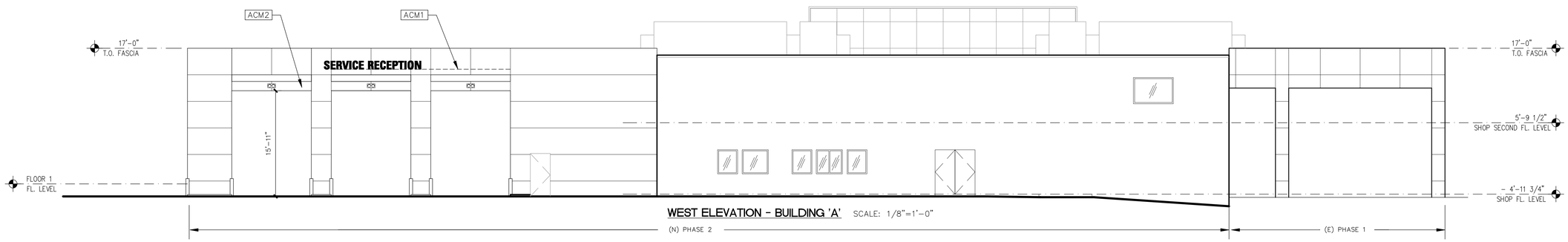
JOB No. 2007101005
PERMIT No.
PROJECT No.

A510

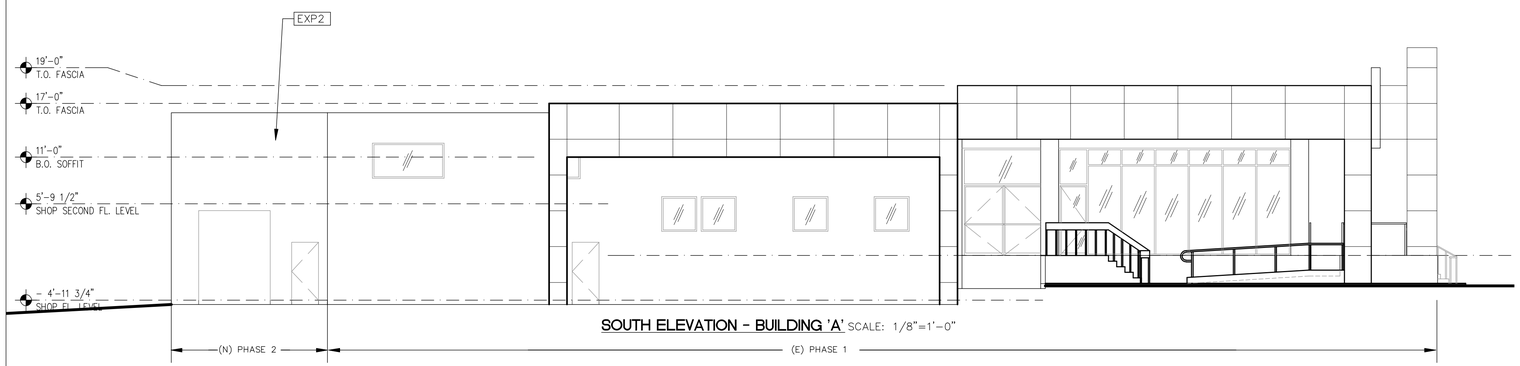
DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a510.dwg PLOTTED: 9/21/2011 9:23 AM BY: Kalsur, Vandana



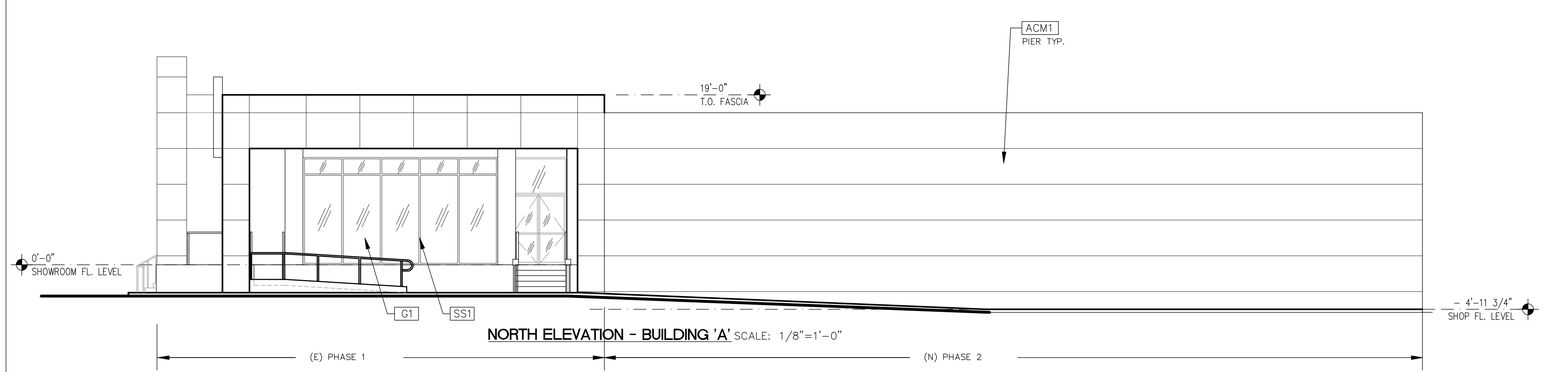
EAST ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"



WEST ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"



SOUTH ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"



NORTH ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"

EXTERIOR FINISH LEGEND

NO.	LOCATION	COLOR & MATERIAL SPECIFICATION	DESCRIPTION	MANUFACTURER/
ACM1	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA SILVER"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM2	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA RED"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM3	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA BLACK"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM4	SURROUND OF EXTERIOR PORTAL	4MM THICK BONDED METAL PANEL "TOYOTA WHITE"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
EXP1	EXTERIOR SOFFITS	TO MATCH DRYVIT MOONLIGHT WHITE 612 OR STO NA05-0056 LIGHT GREY	EXTERIOR PLASTER	TO BE SELECTED BY DEALER ARCHITECT
EXP2	EXTERIOR WALLS (SERVICE AREA)	TO MATCH DRYVIT MOONLIGHT WHITE 612	EXTERIOR PLASTER	TO BE SELECTED BY DEALER ARCHITECT
G1	GLAZING, GLASS DOORS	CLEAR DOUBLE GLAZED, TEMPERED	EXTERIOR GLAZING	-
G2	SERVICE WRITE-UP/ SERVICE LANES, SERVICE MGR./ SERVICE LANES, TRAC/ SERVICE LANES, SERVICE ENTRY/ SERVICE LANES, F&I/ NEW CAR DELIVERY, SERVICE/ SALES BLDG.	CLEAR DOUBLE GLAZED, TEMPERED	EXTERIOR GLAZING	-
G3	GLAZING, GLASS DOORS	CLEAR SINGLE GLAZED, TEMPERED	INTERIOR GLAZING	-
GP1	PORTAL	ALL STEEL MEMBERS TO BE PRIMED AND FINISHED IN "TOYOTA WHITE GLOSS"		NOVUM STRUCTURES CONTACT: STEVE SKOWBO PHONE: (262)255-5581 FAX: (262)255-5086
SS1	-	REPLACE EXISTING STOREFRONT/ CURTAINWALL W/ NEW CLEAR ANODIZED ALUM.	EXISTING STOREFRONT/ CURTAINWALL SYSTEM	-

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DWN. CHKD. DSGN. DATE

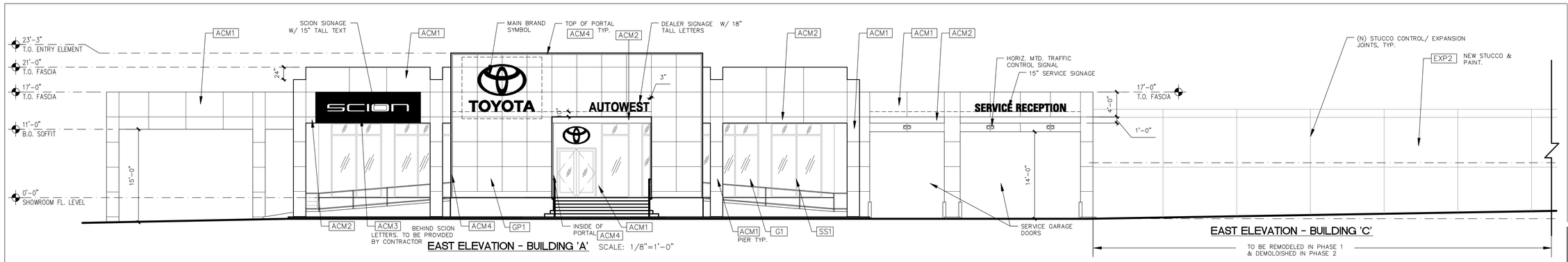
HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(N) BLDG. 'A' + BLDG. 'B'
PHASE 2

JOB No. 2007101005
PERMIT No.
PROJECT No.

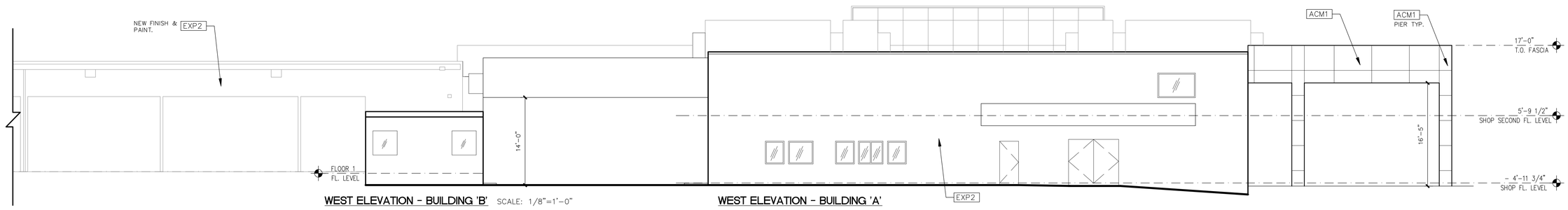
A502

DRAWING: x:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a502.dwg PLOTTED: 9/21/2011 9:22 AM BY: Kelkar, Vandana



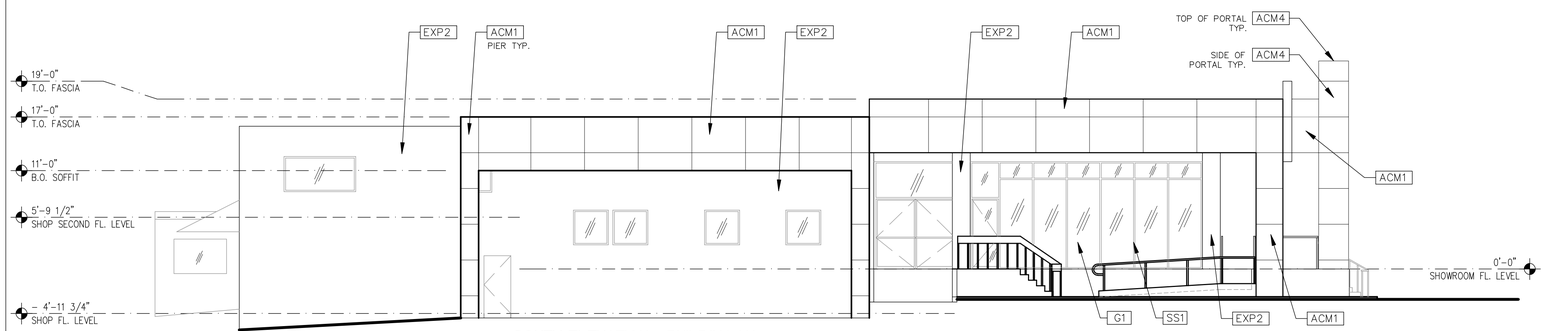
EAST ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"

EAST ELEVATION - BUILDING 'C'

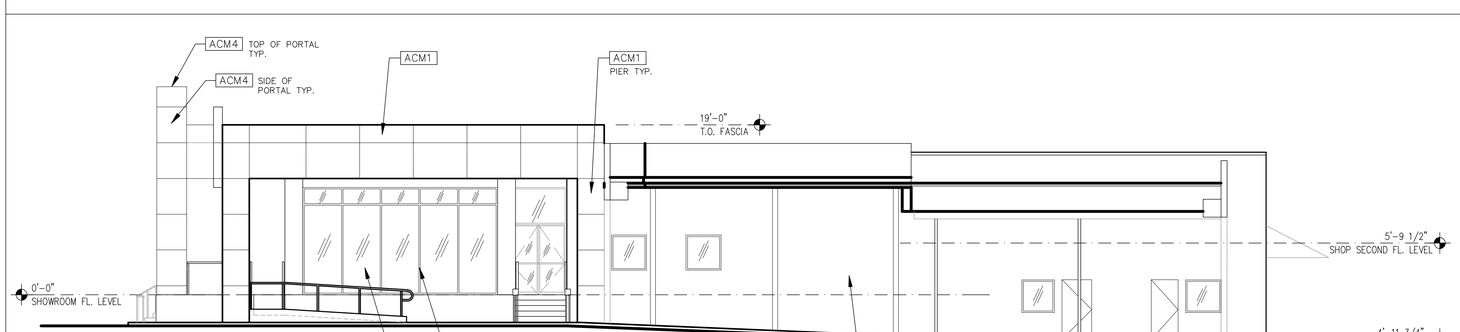


WEST ELEVATION - BUILDING 'B' SCALE: 1/8"=1'-0"

WEST ELEVATION - BUILDING 'A'



SOUTH ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"



NORTH ELEVATION - BUILDING 'A' SCALE: 1/8"=1'-0"

EXTERIOR FINISH LEGEND

NO.	LOCATION	COLOR & MATERIAL SPECIFICATION	DESCRIPTION	MANUFACTURER/
ACM1	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA SILVER"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM2	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA RED"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM3	EXTERIOR FACADE AND COLUMNS	4MM THICK BONDED METAL PANEL "TOYOTA BLACK"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
ACM4	SURROUND OF EXTERIOR PORTAL	4MM THICK BONDED METAL PANEL "TOYOTA WHITE"	ALUMINUM COMPOSITE MATERIAL	REYNOBOND BY ALCOA, OR ALPOLIC BY MITSUBISHI
EXP1	EXTERIOR SOFFITS	TO MATCH DRYVIT MOONLIGHT WHITE 612 OR STO NA05-0056 LIGHT GREY	EXTERIOR PLASTER	TO BE SELECTED BY DEALER ARCHITECT
EXP2	EXTERIOR WALLS (SERVICE AREA)	TO MATCH DRYVIT MOONLIGHT WHITE 612	EXTERIOR PLASTER	TO BE SELECTED BY DEALER ARCHITECT
G1	GLAZING, GLASS DOORS	CLEAR DOUBLE GLAZED, TEMPERED	EXTERIOR GLAZING	-
G2	SERVICE WRITE-UP/ SERVICE LANES, SERVICE MGR./ SERVICE LANES, TRAC/ SERVICE LANES, SERVICE ENTRY/ SERVICE LANES, F&I/ NEW CAR DELIVERY, SERVICE/ SALES BLDG.	CLEAR DOUBLE GLAZED, TEMPERED	EXTERIOR GLAZING	-
G3	GLAZING, GLASS DOORS	CLEAR SINGLE GLAZED, TEMPERED	INTERIOR GLAZING	-
GP1	PORTAL	ALL STEEL MEMBERS TO BE PRIMED AND FINISHED IN "TOYOTA WHITE GLOSS"		NOVUM STRUCTURES CONTACT: STEVE SKOWBO PHONE: (262)255-5561 FAX: (262)255-5086
SS1	-	REPLACE EXISTING STOREFRONT/ CURTAINWALL W/ NEW CLEAR ANODIZED ALUM.	EXISTING STOREFRONT/ CURTAINWALL SYSTEM	-

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DWN.	CHKD.	DSGN.	DATE

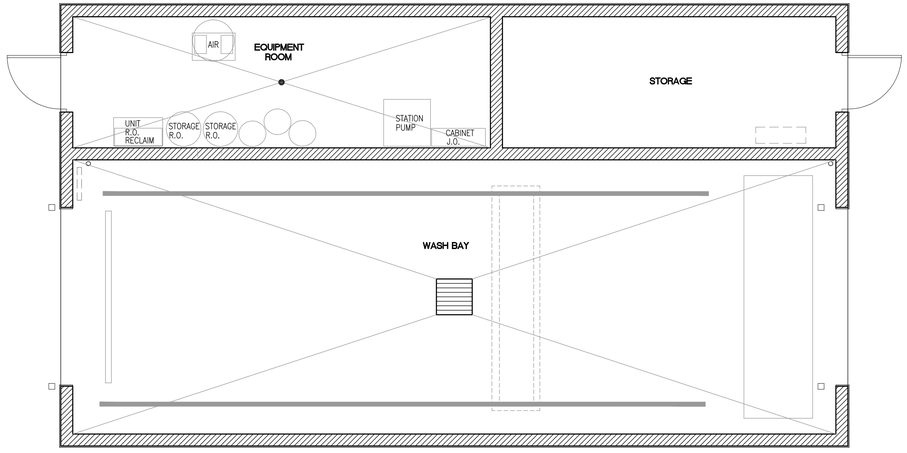
HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(N) BLDG. 'A'+ (E)BLDG. 'B'
PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

A501

DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a501.dwg PLOTTED: 9/21/2011 9:21 AM BY: Kellar, Vandana



CAR WASH FLOOR PLAN

PROJECT NORTH

0 4 8 12 16 20

SCALE: 1/4"=1'-0"

KEY NOTES (1.01)

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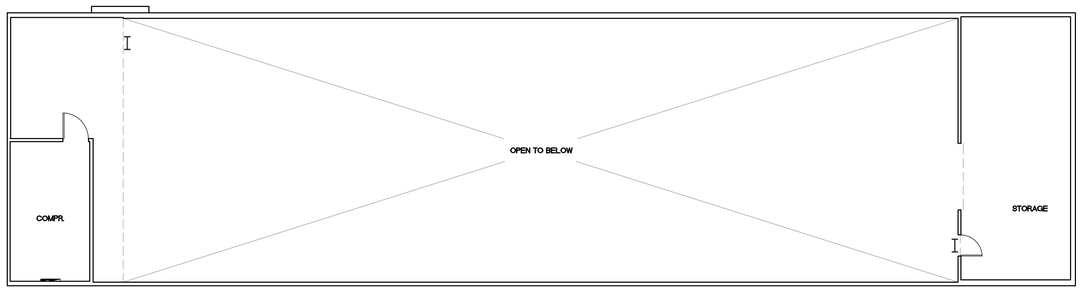
HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

CAR WASH
FLOOR PLAN
PHASE 1

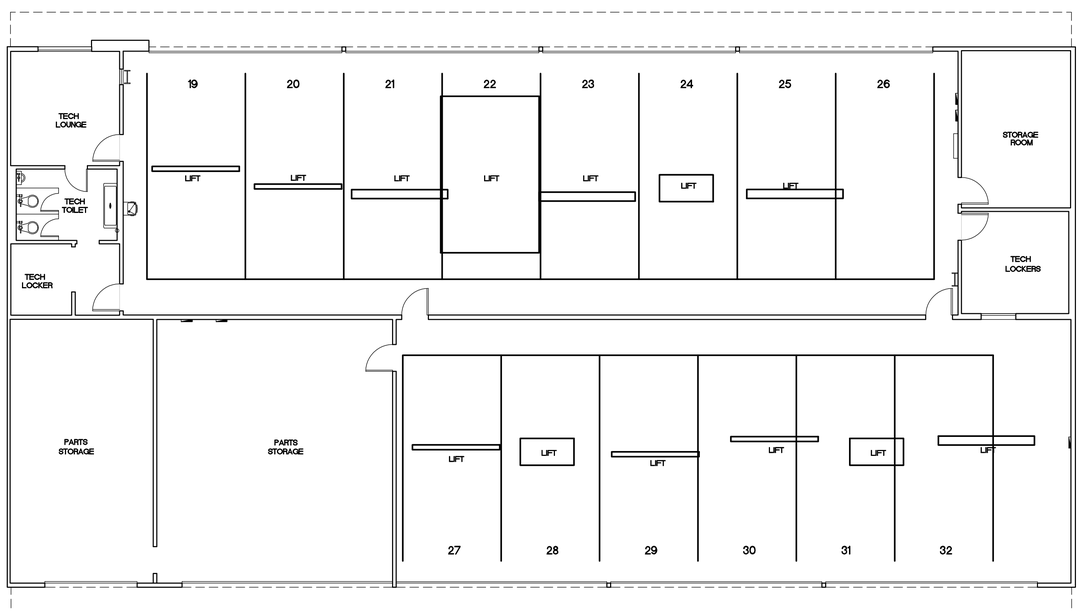
JOB No. 2007101005
PERMIT No.
PROJECT No.

A130

DRAWING: x:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a130.dwg PLOTTED: 9/21/2011 9:18 AM BY: Kelkar, Vandana



BUILDING 'D' SECOND FLOOR PLAN



BUILDING 'D' FIRST FLOOR PLAN

PROJECT NORTH

0 8 16 24 32 40

SCALE: 1/8"=1'-0"

KEY NOTES 1.01

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	6-29-2011	1ST PLANNING SUBMITTAL		

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PROJECT MGR. DATE

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HAYWARD TOYOTA
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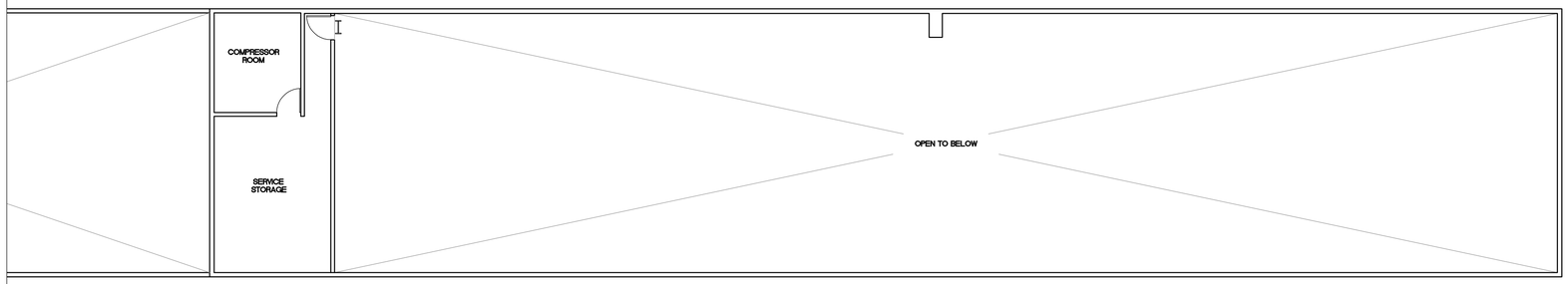
EXISTING BLDG. 'D'
1ST + 2ND FLOOR PLAN
PHASE 1

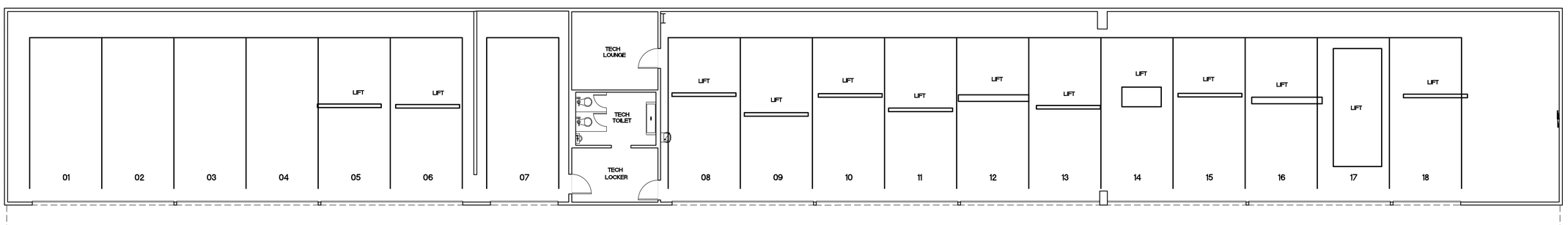
JOB No. 2007101005
PERMIT No.
PROJECT No.

A120

DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a120.dwg PLOTTED: 9/21/2011 9:18 AM BY: Kelker, Vandana



BUILDING 'C' SECOND FLOOR PLAN



BUILDING 'C' FIRST FLOOR PLAN

KEY NOTES 1.01

PROJECT NORTH

0 8 16 24 32 40

SCALE: 1/8"=1'-0"

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	6-29-2011	1ST PLANNING SUBMITTAL	

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RS – –
DWN. CHKD. DSGN. DATE

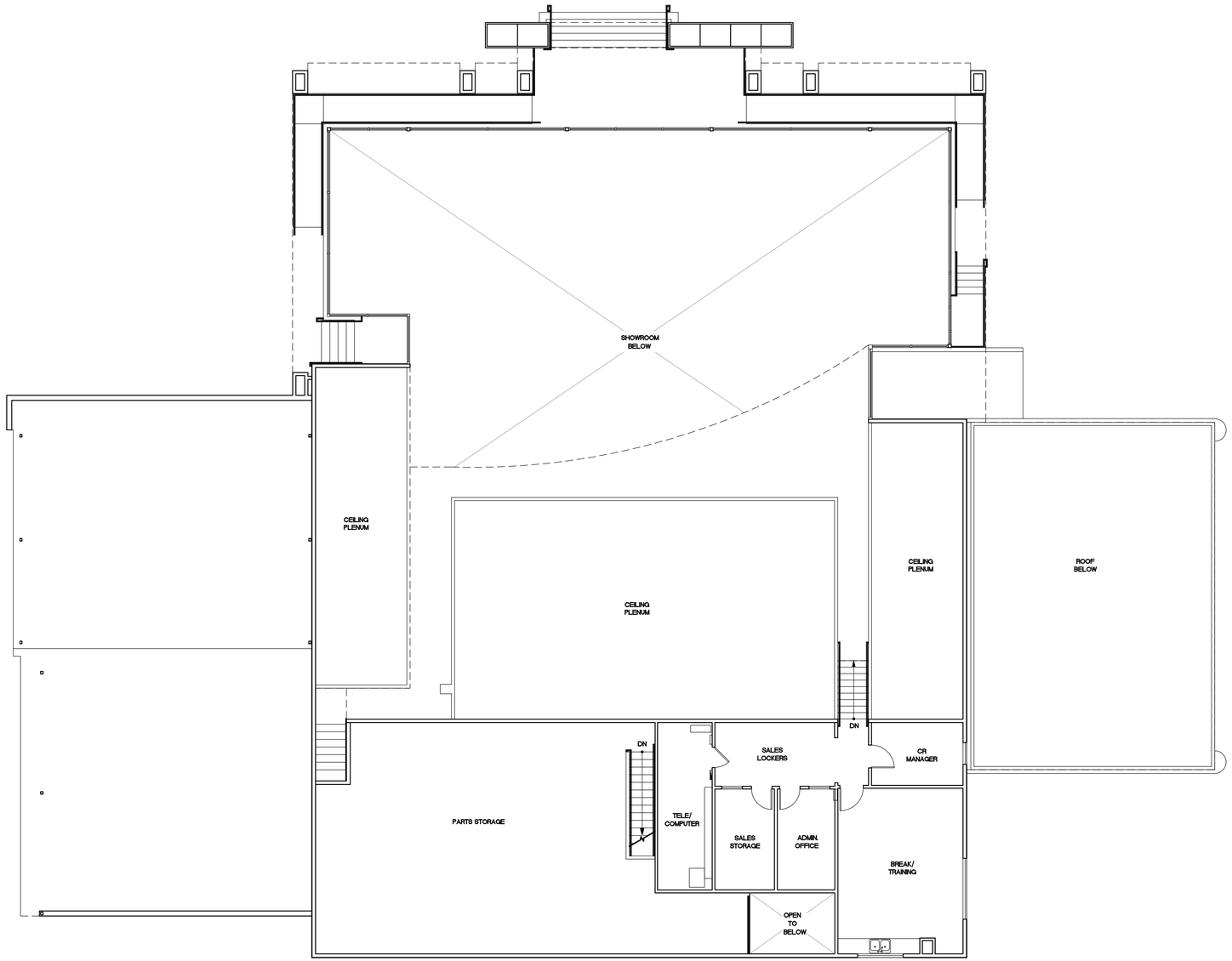
HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

EXISTING BLDG. 'C'
1ST + 2ND FLOOR PLAN
PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

A110

DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a110.dwg PLOTTED: 9/21/2011 9:17 AM BY: Kellar, Vanessa



PROJECT NORTH

0 8 16 24 32 40

SCALE: 1/8"=1'-0"

KEY NOTES (1.01)

GENERAL NOTES

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HAYWARD TOYOTA
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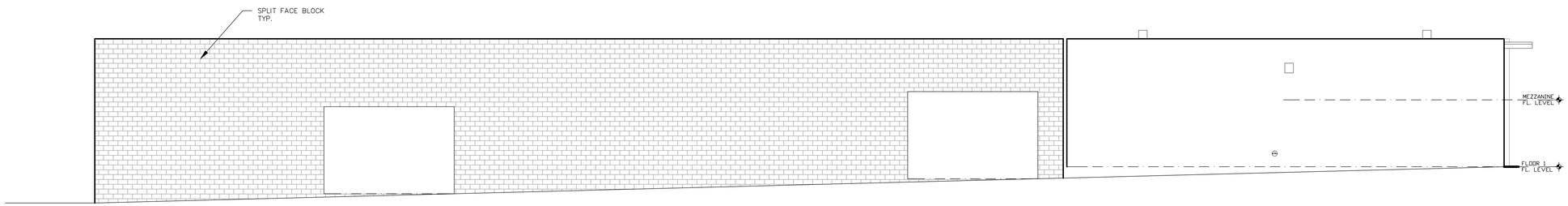
EXISTING BLDG. 'A'
SECOND FLOOR PLAN
PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

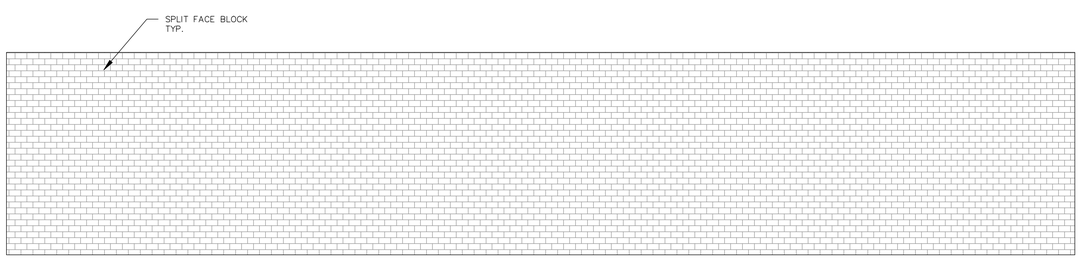
A102

DRAWING: v:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a102.dwg PLOTTED: 9/21/2011 9:16 AM BY: Kelkar, Vandana



NEW SOUTH ELEVATION - BUILDING 'D'

EXISTING SOUTH ELEVATION - BUILDING 'D'



NEW WEST ELEVATION - BUILDING 'D'

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	6-29-2011	1ST PLANNING SUBMITTAL

APP: DATE

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PROJECT MGR. DATE

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DWN. CHKD. DSGN. DATE

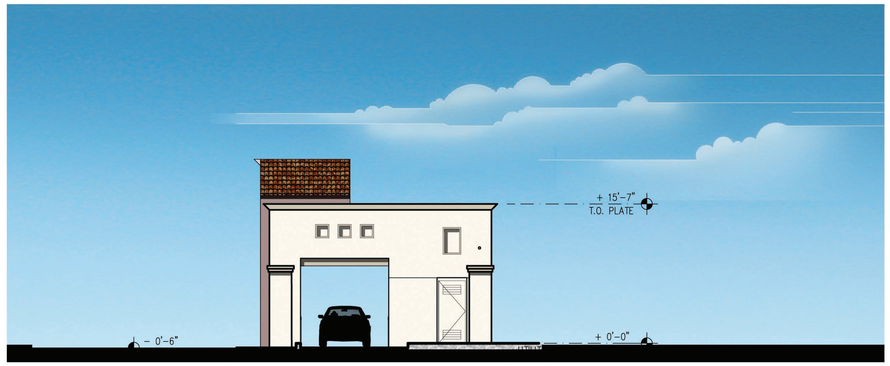
HAYWARD TOYOTA
24773 MISSION BLVD.,
HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(N) BLDG. 'D'
PHASE 2

JOB No. 2007101005
PERMIT No.
PROJECT No.

A521

DRAWING: k:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a521.dwg PLOTTED: 9/21/2011 9:26 AM BY: Kalaur, Vandana



SOUTH ELEVATION - CARWASH SCALE: 1/8"=1'-0"

WEST ELEVATION - CARWASH- BLDG. WALL SCALE: 1/8"=1'-0"

EAST ELEVATION - CARWASH- BLDG. WALL SCALE: 1/8"=1'-0"

WEST ELEVATION - CARWASH- BLDG WALL W/ FENCE WALL IN FRONT SCALE: 1/8"=1'-0"

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RS – – DWN. CHKD. DSGN. DATE

HAYWARD TOYOTA
24773 MISSION BLVD., HAYWARD, CA 94544

EXTERIOR ELEVATIONS
(N) CAR WASH
PHASE 1

JOB No. 2007101005
PERMIT No.
PROJECT No.

A520e

DRAWING: v:\2007\active\2007101005\architecture\drawing\planning phase\2007101005_a520temp.dwg PLOTTED: 9/6/2011 9:25 AM BY: Kellar, Vandana

CITY OF HAYWARD
HEART OF THE BAY

DATE: December 20, 2011

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: FY 2011 General Fund Year-end Review

RECOMMENDATION

That Council reviews and comments on this report.

BACKGROUND

Since July 2011, Finance staff has been working closely with the City's outside auditor to review, develop, and finalize the City's financial processes and statements for the period ending June 30, 2011 (FY 2011). The full results of the audit and the FY 2011 Comprehensive Annual Financial Report (CAFR) will be presented to Council on January 17, 2012.

In the meantime, given the current FY 2013 & FY 2014 budget discussions, staff would like to provide City Council with an update on the FY 2011 year-end performance of the General Fund. Attachment I (General Fund Statement of Revenues, Expenditures and Changes in Fund Balances) presents a section of the audit document that displays actual to budgeted revenues and expenditures for FY 2011. This chart is generally used to communicate year-end performance for the General Fund in the CAFR document.

When City Council adopted the FY 2011 budget in June 2010, Council agreed to use $2.36 million of the General Fund reserve to close the remaining budget gap (following considerable expenditure operations reductions and employee concessions). The initial revenue projections for FY 2011 were appropriately conservative, given the volatile economy and the consistent loss of Hayward sales and property tax revenues. In February 2011, Council revised its year-end projections based on "year-to-date" revenues, reducing the assumed use of the General Fund Reserve to $1.9 million. (Table 1).

Final FY 2011 year-end data reflect that the General Fund ended FY 2011 at break-even, without the need to use any of the Reserves. This indicates that, after considerable budget reductions (some recurring – many one-time), the City lived within its means for FY 2011. While this is a positive outcome, the analysis of the variance between actuals and the Adjusted Budget contained in this report highlights the fact that much of this savings is one-time in nature. The City continues to feel the negative effects of the sluggish economy, especially in property-related revenues. Property Tax revenues dropped 1.5% in FY 2011 and will likely continue this trend in FY 2012. Future projections consider very mild growth based on the current economic indicators. Given these

revenue factors and the continued cost increases to operations, the City continues to face a significant and ongoing structural deficit.

DISCUSSION

FY 2011 ended with $207,000 in positive surplus (revenues less expenditures) – which represents less than 2% of the total General Fund expenditure budget. The charts below compare the FY 2011 actuals to the FY 2011 Adjusted Budget to gauge performance against expectations. The net variance between the actual revenues and expenditures compared to the Adjusted Budget is $2.1 million , and is largely attributed to revenues – much of which are non-recurring (i.e., one-time in nature).

Of the $2.6 million directly related to the variance in revenues from that which was projected in the Adjusted Budget, about $2 million is non-recurring. The $751,000 in expenditure variance from the Adjusted Budget is entirely caused by salary and benefit savings from a large number of vacant positions that were not filled. These positions were all eliminated in the FY 2012 budget and this level of reduced staffing is already considered in the budget projections.

The change to "Transfers In/Out" is a result of a land transfer to the General Fund from the Redevelopment Agency. In March 2011, the Agency Board adopted a resolution making required findings under Health and Safety Code Section 33430 to allow the conveyance of twenty parcels to the City. This resulted in a transfer from the Agency to the General Fund in the amount of $10.3 million. This is included in this summary as an asset and is shown in this financial summary. However, since these assets are illiquid, the chart below backs this out to display a more accurate cash fund balance. With this adjustment, it can be seen that the net of transfers in and out was $42,000 – which is $1.3 million less than anticipated in the Adjusted Budget. This is attributed to Transfers In to the General Fund from other funds and due to salary savings in these other revenue funds that resulted in lower indirect cost allocation transfers.

Table 1

	FY 2011 Adopted	FY 2011 Adjusted	FY 2011 Actual	Variance (Adjusted to Actual)	Variance %
Revenues	109,774	112,246	114,890	2,644	2.4%
Expenditures	114,271	115,477	114,725	751	0.7%
Transfers In/Out	2,136	1,326	10,315		
*Less Land Transfer in from RDA			(10,273)		
Revised Transfers In/Out	2,136	1,326	42	(1,284)	
Net Change in Fund Balance	**(2,361)**	**(1,904)**	**207**	**2,111**	

This positive year-end result allows the City, while still facing a considerable General Fund structural deficit, to further preserve its critical General Fund Reserves and provide flexibility and some potential bridging mechanisms to allow the organization to implement long-term structural changes. The use of the General Fund Reserve is more justifiable if employed to bridge a period that allows implementation of long-term, structural change. It is not as prudent to use these reserves

to simply fill annual funding gaps that do not move the financial health of the City toward fiscal sustainability.

FY 2011 Revenues & Variance Analyses

Below is a summary table of the General Fund revenues (exclusive of Transfers In) as categorized in the CAFR.

Table 2

Revenue	FY 2011 Adopted	FY 2011 Adjusted	FY 2011 Actual	Variance (Adjusted to Actual)	Variance %
Property Tax	36,261	36,261	35,726	(535)	-1.5%
Sales Tax	22,684	25,258	25,492	234	0.9%
Utility Users Tax	13,810	14,510	14,700	190	1.3%
Other Taxes	18,578	18,134	18,494	360	2.0%
Licenses & Permits	3,072	2,891	3,259	368	12.7%
Fines & Forfeitures	2,281	2,241	2,740	499	22.3%
Investment & Rental Income	590	490	549	59	12.1%
Intergovernmental	4,478	4,370	5,046	676	15.5%
Fees & Charges for Services	4,114	4,266	5,469	1,203	28.2%
Other Revenue	3,906	3,826	3,417	(409)	-10.7%
Total	**109,774**	**112,246**	**114,890**	**2,644**	**2.4%**

Overall, City revenues performed $2.6 million better than projected in the Adjusted Budget – a 2.4% variance. This good news is tempered with the fact that much of this revenue is one-time in nature. In addition, the City's single largest revenue source, Property Taxes, continues to see a decline due to the slow recovery in the real estate market, and the fact that Property Tax revenue lags the actual market by about two years. Over 90% of the variance is directly attributable to increases in the revenue categories described below.

Fees and Charges for Service: + $1,202,000

This revenue category largely reflects activities related to development projects. Because these projects are unique, are one-time in nature, and exhibit volatile and unpredictable timing, it is difficult to accurately predict these project-related revenues.

Description	Variance
Inspections (Development Services)	455,000
Community Preservation Inspection Fee	116,000
Fire Inspection Fees	112,000
Plan Checking Fees	79,000
Aggregate net total of 113 fees and charges	440,000
Total	**1,202,000**

Inspections (Development Services) + $455,000

Due to the initiation of several large projects, most notably the final phases of the Cannery residential development as well as new tenants in the Target Center (i.e. Fresh and Easy, Carter's, Five Guys, etc.), the requests for inspections exceeded what was budgeted at the beginning of FY 2011. Finance staff will work closely with Planning staff to gauge the potential for future large-

scale projects/developments for FY 2012 and beyond in order to provide more accurate revenue estimates in this area. The Adopted Budget for FY 2012 and projections for future years account for moderate development activity, but cannot predict projects not yet submitted to the City.

Inspection/Plan Checking Fees (Development Services/Fire) + $307,000
As noted above, the positive variance to this agglomeration of the final 3 fees listed is largely linked to the influx of housing and business development that occurred in FY 2011.

Intergovernmental + $676,000
This revenue category relates to revenue received by the City from outside agencies – mainly the State of California due to the State's decision to defer payments of revenues due to local government. Key variances are described below.

Description	Variance
Motor Vehicle in-Lieu Tax	402,000
Medical Administrative Activities - Police	297,000
Aggregate net total of all other activities	(21,000)
Total	**678,000**

Motor Vehicle in-Lieu Tax + $402,000
An expected, deferred payment from the State was posted in FY 2011 (FY 2010 revenue). This is not a recurring increase in this revenue and is a one-time deferred payment.

Police Medical Administrative Activities + $297,000
This non-recurring revenue is associated with a reimbursement from Alameda County for medical administrative activity claims that occurred during FY 2010; a portion of the revenue was received during FY 2011.

Fines and Forfeitures + $499,000

Description	Variance
Photo Red Light Program	218,000
In-house Parking Collection	107,000
Litter Violations	98,000
Aggregate net total of all other fines/forfeiture revenues	76,000
Total	**499,000**

Photo Red Light Program + $218,000
The Photo Red Light program saw an increase in revenues due to the improved processing of citations issued and, subsequently, revenue collected.

In-House Parking Collection + $107,000
This revenue item is associated with maintenance-related activities (i.e. street sweeping). Since FY 2011 was the first year of recorded collections for this revenue source, staff developed an educated estimate for the FY 2011 budget as to how much revenue would be generated; estimates for future year budgets will be more refined as additional financial data becomes available for forecasting purposes.

Various Fines (Vehicle Code, Criminal, Transaction, Litter) + $98,000
Violations issued under this series of accounts increased by a total of 20% over what was budgeted for FY 2011. Finance staff will work with Police Department staff to provide better estimates for future budgets.

FY 2011 Expenditures & Variance Analyses
Below is a summary table of the General Fund expenditures (exclusive of Transfers Out) as categorized in the CAFR.

Table 3

Expenditures	FY 2011 Adopted	FY 2011 Adjusted	FY 2011 Actual	Variance (Adjusted to Actual)	Variance %
General Government	9,204	8,028	7,450	578	7.8%
Public Safety	87,453	87,924	88,860	(936)	-1.1%
Public Works/Transportation	3,034	3,032	2,676	356	13.3%
Library & Community Services	5,143	6,904	6,561	343	5.2%
Planning & Building	5,398	5,475	5,300	175	3.3%
Maintenance Services	4,040	4,040	3,783	257	6.8%
Interest & Fiscal Charges	-	76	96	(20)	-21.0%
Total	**114,271**	**115,477**	**114,725**	**751**	**0.7%**

Of the approximately $751,000 net savings (positive variance) between actual and budgeted expenditures, the entire amount can be directly attributed to salary and benefit related costs and savings. Key variances are discussed below.

Description	Variance
Salary and Benefits – Public Safety	(936,000)
Salary and Benefits – General Government	578,000
Salary & Benefits–Public Works/Transportation	356,000
Aggregate net total of salary savings in all other categories of expenditures (by department)	753,000
Total	**751,000**

Salary and Benefits (Public Safety) -$936,000
The FY 2011 budget for the Fire Department included a reorganization to its Operations Management program that improved its department operations. Approved as part of the FY 2011 budget process, the change involved an exchange of four positions of one nature for three new positions at a different level, with no change in net cost (the Fire Department added three new Battalion Chiefs and decreased four other staff positions).

While the FY 2011 budget reflects the elimination of funding for the 4 deleted positions, through no fault of the Fire Department, the budget failed to fund the three new Battalion Chief positions causing a negative balance of $936,000. The change in staffing should not have resulted in increased cost to the General Fund, and instead was a net cost savings. Finance staff verified that the Operations Management program budget for FY 2012 (and future years) is correct and

demonstrates full funding for all approved positions. If the Fire Department staffing had been funded as approved for FY 2011, they would have not exceeded their budget.

Salary and Benefits (General Government) + $578,000
Almost the entire amount of savings realized in FY 2011 was due to vacant positions, many of which were slated for elimination as part of the FY 2012 budget.

Salary and Benefits (Public Works/Transportation) + $356,000
As noted above, this positive variance was due to salary savings realized from not filling 3 positions, which were subsequently eliminated in FY 2012.

FISCAL IMPACT

For FY 2011, the City ended with a $207,000 surplus, resulting in no use of the General Fund reserves as originally projected. This positive year-end result allows the City to further preserve its critical General Fund reserves and potentially support the implementation of long-term structural changes to its budget as the City faces a continued structural deficit.

NEXT STEPS

The full audit report will be submitted to City Council in January 2012, along with a public presentation from the City's outside audit firm. Financial statements developed as part of the audit are critically important as they serve to set the groundwork for future financial planning, such as the City's ten-year financial plan and establishing the baseline budget for FY 2013. It is important to note that staff will carefully and thoroughly evaluate future revenues and expenditures to ensure that any one-time "spikes" to projections (i.e. deferred payments from the State, large developments, one-time reimbursements, etc.) are not included in projections unless verified as warranted.

Prepared and Recommended by: Tracy Vesely, Director of Finance

Approved by:

_____
Fran David, City Manager

Attachment I: FY 2011 Statement of Revenues, Expenditures and Changes in Fund Balance

Attachment I

CITY OF HAYWARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Adjusted Budget Positive (Negative)
	Adopted	Adjusted	Actual Amounts Budgetary Basis	
REVENUES:				
Property taxes	$36,261,000	$36,261,000	$35,725,967	($535,033)
Property tax increment	0	0	0	0
Sales taxes	22,684,000	25,258,000	25,491,532	233,532
Utility users tax	13,810,000	14,510,000	14,699,792	189,792
Other taxes	18,578,000	18,134,000	18,494,398	360,398
Licenses and permits	3,072,000	2,891,087	3,259,291	368,204
Fines and forfeitures	2,281,000	2,240,555	2,739,642	499,087
Special assessments	0	0	0	0
Investment income	240,000	140,000	192,232	52,232
Rental income	350,000	350,000	356,763	6,763
Intergovernmental	4,478,000	4,370,158	5,045,836	675,678
Fees and charges for services	4,114,000	4,266,374	5,468,605	1,202,231
School District reimbursement	0	0	0	0
Other revenue	3,906,000	3,825,509	3,416,630	(408,879)
Total Revenues	109,774,000	112,246,683	114,890,688	2,644,005
EXPENDITURES:				0
Current:				
General government	9,204,352	8,027,755	7,450,012	577,743
Public safety	87,452,672	87,923,509	88,859,537	(936,028)
Public works and transportation	3,034,077	3,031,561	2,675,905	355,656
Library and community services	5,142,534	6,903,711	6,561,168	342,543
Planning and building	5,397,797	5,474,862	5,299,987	174,875
Maintenance services	4,039,975	4,039,975	3,783,210	256,765
Capital outlay	0	0	0	0
Debt Service:	0	0	0	0
Principal	0	0	0	0
Interest and fiscal charges	0	75,560	95,645	(20,085)
Total Expenditures	114,271,407	115,476,933	114,725,464	751,469
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,497,407)	(3,230,250)	165,224	3,395,474
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	0	0	17,961	17,961
Transfers in	7,745,885	7,745,885	16,735,447	8,989,562
Transfers (out)	(5,609,609)	(6,419,609)	(6,420,045)	(436)
Total Other Financing Sources (Uses)	2,136,276	1,326,276	10,333,363	9,007,087
NET CHANGE IN FUND BALANCE - BUDGET BASIS	(2,361,131)	(1,903,974)	10,498,587	$12,402,561

CITY OF
HAYWARD
HEART OF THE BAY

DATE: December 20, 2011

TO: Mayor and City Council
Redevelopment Agency Board Members

FROM: Assistant City Manager/Interim Redevelopment Agency Director

SUBJECT: Annual Report of Redevelopment Agency Activities for FY 2011

RECOMMENDATION

That the Agency Board adopts the attached resolution (Attachment I) approving the Annual Report of Redevelopment Agency Activities for FY 2011 and presents the report to the City Council; and

That the City Council adopts the attached resolution (Attachment II) receiving the Annual Report of Redevelopment Agency Activities for FY 2011.

BACKGROUND

California Redevelopment Law (Health and Safety Code Sections 33000 et seq) requires that the Redevelopment Agency present an Annual Report to the City Council and that the City Council reviews the report and takes any action deemed appropriate. Typically, the action taken by the City Council is to approve the report. The report is then filed with the State Controller.

The report contains five major components: 1) the Agency's Independent Financial Audit for FY 2011; 2) the Annual Report of Financial Transactions, which takes information from the audit and presents it in a format suitable for review by the State Controller; 3) the California Department of Housing and Community Development (HCD) Annual Redevelopment Agency Housing Activity Report; 4) the Agency's Annual Statement of Indebtedness; and 5) the Fiscal Statement containing specified information all of which is contained in the Annual Report . The State Controller's Report of Financial Transactions (Appendix B of Attachment III) includes a narrative discussion of the Agency's activities, entitled the "Project Area Report."

The Agency's independent financial audit is attached to the Annual Report as Appendix A of Attachment III. The audit report did not identify any major audit violations. The audit report identified two minor findings, neither of which had a material effect on the Agency's financial statements or financial condition. One finding was related to the omission of a discussion in the Agency's annual budget that compares the prior year's goals against the achievement of these goals with the work plan. Staff will include this discussion in future year budget documents. The second

finding was related to the Agency's failure to include in the annual State Controller's Report the time limit for the commencement of eminent domain proceedings to acquire property within the project area. The time limit for commencement of eminent domain proceedings to acquire property is set to expire on June 26, 2013 and is effective only for the Mission/Foothill sub-area. The time limit for commencement of eminent domain proceedings to acquire property in all other subareas expired November 10, 2010. Once the time limits for the Mission/Foothill sub-area expire in June 2013, the Agency will no longer be able to initiate eminent domain proceedings anywhere in the entire Project Area. Although the Agency currently has no plans to acquire property through eminent domain, we must adhere to certain State guidelines governing how and when the Agency could conduct eminent domain proceedings if we chose to do so. In the future, staff will include the current time limits for initiating any eminent domain proceedings in the State Controller's Report.

As additional background, between June 28 and June 30, 2011, the Governor approved the FY2012 State budget, which included two trailer bills, ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Alternative Redevelopment Program Act") (collectively the Dissolution Act and the Alternative Redevelopment Program Act are hereinafter referred to as the "Redevelopment Restructuring Acts"). The Redevelopment Restructuring Acts fundamentally restructure operations of local redevelopment agencies throughout the State.

The Dissolution Act dissolves redevelopment agencies as they currently exist and establishes successor entities to determine ongoing payment of enforceable obligations similar to the Governor's original redevelopment elimination proposal from January 2011. The Alternative Redevelopment Program Act provides redevelopment agencies and their sponsoring communities with a mechanism for "voluntarily" deciding to continue redevelopment activities (although with new restrictions), while requiring the local agencies to provide significant on-going financial contributions ("Remittance Payments") to fund school and specified special districts in order to be allowed to continue redevelopment activities.

The Department of Finance informed the City that the City's Remittance Payment for FY 2012 would be approximately $4.1 million. The first installment of the annual Remittance Payment is due January 15 and the second installment is due May 15 of each year. The City's ongoing Remittance Payments for future years will be approximately $960,000 in order to participate in the Alternative Redevelopment Program. The City Council adopted an "opt-in" ordinance, as allowed under the Alternative Redevelopment Program Act, on August 2, 2011.

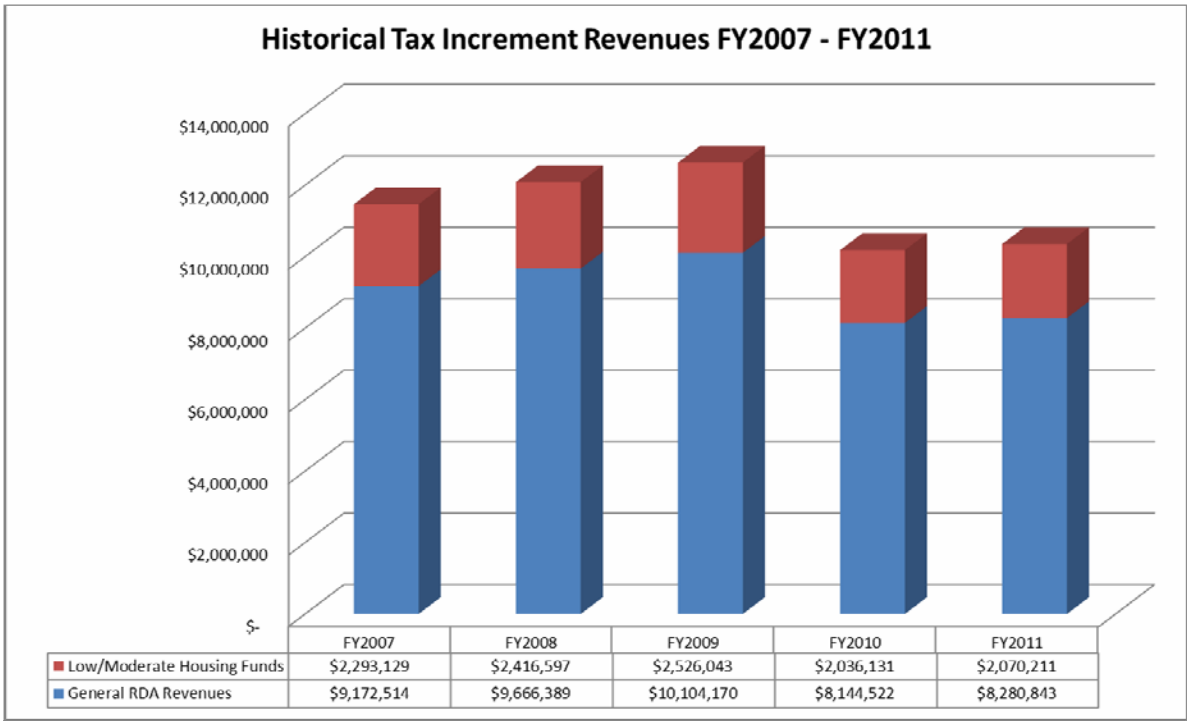
Shortly following adoption of the legislation, the California Redevelopment Association (CRA) and the League of California Cities filed a lawsuit in the California Supreme Court challenging the validity of the Redevelopment Restructuring Acts. The Court has indicated it will render a decision by January 15, 2012, the deadline for making the first half of the required FY 2012 Remittance Payment. On August 11, 2011, the Court issued a court order staying specified elements of the Redevelopment Restructuring Acts (as modified August 17, 2011, the "Stay"), which for all intents and purposes has halted all business associated with the Agency. The Agency is making payments to staff and on existing active contracts and obligated projects, which the Agency determined were enforceable obligations under the Redevelopment Restructuring Acts. In accordance with the terms of the Stay, the Agency is not undertaking any

new activities or filling vacant staff positions. Certain elements of current State Redevelopment law remain in effect; hence the need for the Council and Agency Board to consider adoption of the RDA Annual State Controller's Report and for staff to file this report.

Most activities and efforts of the Agency in FY 2011 have been clouded by the constant threat of elimination, beginning with the Governor's January 2011 budget proposal. This year's annual report and audit reflect this. In spite of the machinations at the State level, the Agency was able to make significant progress on projects that had already been in the pipeline and thereby furthering the core redevelopment mission of eliminating blight and enhancing economic development activity within the project area.

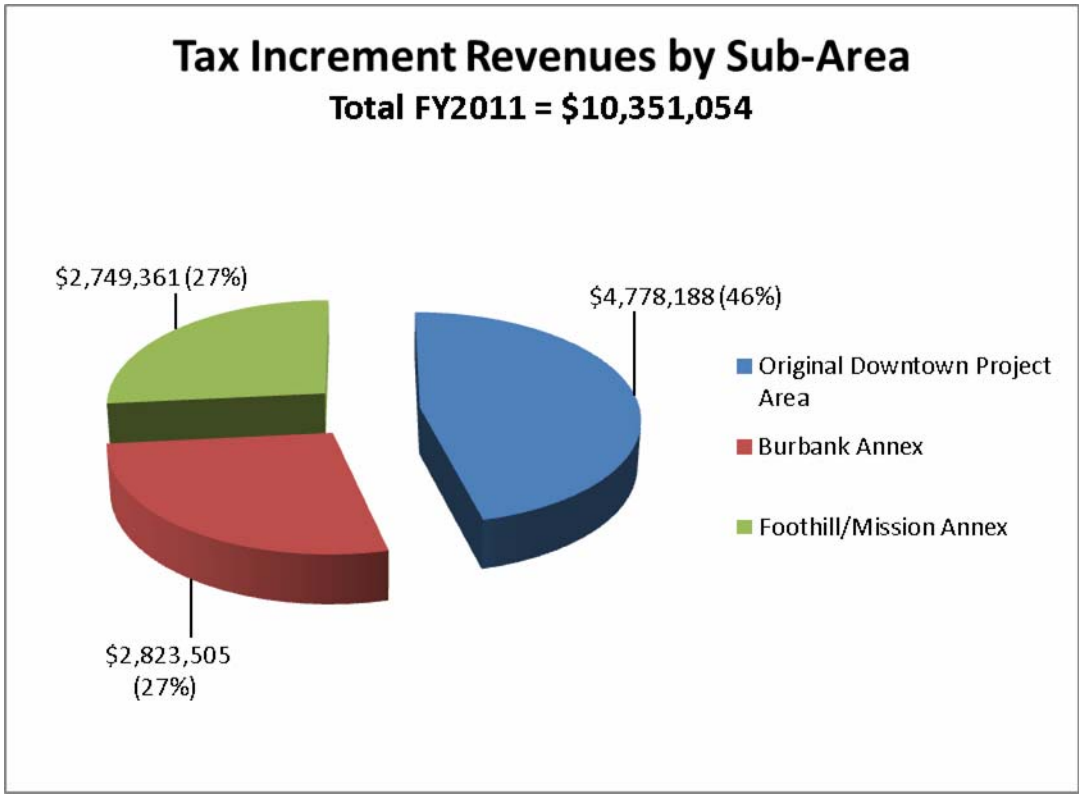
DISCUSSION

Tax Increment Revenue: The largest component of Agency revenues is from property tax increment receipts. The Agency's total tax increment revenue was approximately $10.35 million for FY 2011 compared to $10.2 million for FY 2010, which reflects an increase in tax increment of approximately 1.5%. In contrast, the Agency's tax increment declined by almost 20% between FY2009 and FY2010, grew at a rate of 4% and 6% in FY 2009 and 2008 respectively, and grew at the rate of 26% during FY 2007 when the economy was much stronger. Prior to FY 2010, the last year in which the Agency's tax increment revenue declined was in FY 1998, when the revenues declined from $2.4 million to $2.2 million, or by approximately 9%. At that time, it took approximately three years for the Agency to recover the lost revenue; however, due to the depth of the current recession and the anticipated length of time necessary for property values to recover, it is likely to require several more years than three for the Agency's tax increment revenues to recover.



	FY2007	FY2008	FY2009	FY2010	FY2011
Low/Moderate Housing Funds	$2,293,129	$2,416,597	$2,526,043	$2,036,131	$2,070,211
General RDA Revenues	$9,172,514	$9,666,389	$10,104,170	$8,144,522	$8,280,843

Approximately 46% of the tax increment is generated in the Downtown sub-area, 27% in the Burbank-Cannery sub-area, and 27% in the Mission-Foothill sub-area. There were not significant changes in the distribution of tax increment revenues between the sub-areas from FY 2010 to FY 2011. Over time and if the Redevelopment Agency continues to exist, staff expects that the Mission-Foothill corridor will regain strength and surpass both the other sub-areas in terms of tax increment generation, due to its size, commercial orientation, and redevelopment opportunities.

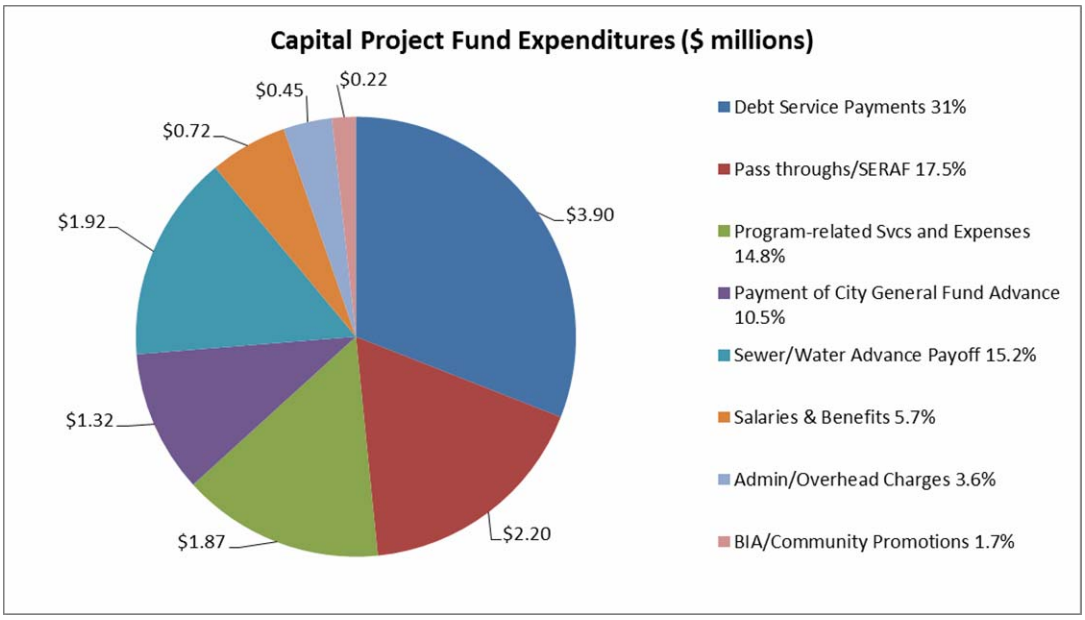


Other Revenue: Approximately $1.51 million in additional revenues were generated by the Agency in FY 2011. The majority of revenues are repayments for the Agency's cost to build the new Burbank School and Cannery Park under an agreement with the Hayward Area Recreation District (HARD) and Hayward Unified School District (HUSD). The repayments come from school impact fees ($808,000) and park fees ($208,300) paid by the developers at Cannery Place, as well as a partial withholding of Agency pass through payments to HUSD ($256,653), which is counted as revenue. There was a significant increase in school and park impact fee revenues (approximately $610,000 in additional revenues over FY 2010), primarily resulting from the issuance of building permits for the final phases of anticipated new residential construction in the Burbank-Cannery area. In addition, the Agency received approximately $116,000 for ground rent and shared parking garage maintenance costs at Cinema Place. Finally, the Agency received $93,000 for first time homebuyer loan repayments, and $24,300 for retail attraction loan repayments.

Expenditures: The Agency expends funds from three primary operating funds: the Capital Projects Fund, the Tax Allocation Bond Fund, and the Low and Moderate Income Housing Fund. In FY 2011, expenditures from each fund were as follows:

Capital Projects Fund: The Agency's expenditures from the Capital Projects/Administrative Fund totaled $12.6 million for FY 2011. Major expenditures from this fund included:

- $3.9 million (31%) for annual debt service payments related to the 2004 and 2006 issuance of Tax Allocation Bonds;
- $2.2 million (17.5%) for annual pass-through payments to other taxing entities, including an extraordinary Supplemental Educational Revenue Augmentation Fund (SERAF) payment of $910,283 to the State;
- $1.87 million (14.8%) for program-related services and expenditures, including: $236,000 for Mission Boulevard and other planning studies; $1,063,100 for the South Hayward BART development (includes $450,000 in matching funds for Transportation for Livable Communities (TLC) grant application); $112,000 for Foothill Boulevard façade designs and other related projects; $119,000 for Agency property management, including the Cinema Place parking garage; and the remainder for other miscellaneous Agency programmatic costs;
- $1.32 million (10.5%) toward repayment of advances from the City General Fund for previous projects such as the City Hall Parking Structure, and B & Foothill property;
- $1.92 million (15.2%) to pay off advances from the City Water and Sewer Funds for previous projects;
- $720,000 (5.7%) for employee salaries and benefits, including $241,000 in charges from other departments, including economic development staff;
- $220,000 (1.7%) combined for contributions to the Business Improvement Area, Community Promotions Program and Public Art Program; and
- $448,000 (3.6%) for City administrative charges, including overhead.



As reflected in the annual audit (Appendix A of Attachment III), the fund balance in the Capital Projects/Administrative Fund was approximately $(975,000) as of the end of Fiscal Year 2011. The important thing to remember about the fund balance reflected in the audit is that it includes not just working capital but also the value of Agency land held for resale. In March 2011, the Agency Board adopted a resolution making required findings under Health and Safety Code Section 33430 to allow the conveyance of twenty parcels to the City. This resulted in a reduction in the Capital Projects fund balance of approximately $4.7 million. The Agency still maintains an undesignated fund balance or "working capital" balance of approximately $2.9 million at the end of FY 2011.

Tax Allocation Bond Funds: This fund included proceeds from prior bond issuances and was used to cover costs associated with projects funded by the bonds. All projects associated with this fund and the prior bond issuances were completed in FY 2011 and the fund will be closed out. Indebtedness payments for these bonds will continue, but are paid out of a different fund.

Low and Moderate Income Housing Fund: As required by law, the Low and Moderate Income Housing (Low/Mod) Fund receives 20% of the Agency's gross tax increment revenue, which was approximately $2.1 million in FY 2011. The fund received additional revenues of $49,000, which include principal and interest payments on First Time Homebuyer loans, for total fund revenues of approximately $2.2 million. In March 2011, the Agency and the Housing Authority executed a Funding and Cooperation Agreement that enabled the Agency to provide an intergovernmental grant of resources in the Low/Mod Fund to the Housing Authority to continue affordable housing activities. In FY 2011, this grant totaled approximately $1.19 million and the intent is for the Agency to pledge future 20% Low/Mod funds to the Housing Authority. As a result of this transfer, the Low/Mod working capital or undesignated fund balance at the end of FY 2011 was zero.

Appendix B to Attachment III includes information regarding the Agency's activities in support of affordable housing and Appendix C (Agency's Activities Affecting Housing and Displacement) contains further reporting. By law, the Agency's Low/Mod Fund can only be used to preserve and expand the supply of affordable housing, but can be spent anywhere within the City.

The largest obligation of Low/Mod Funds in FY 2011 was a transfer of $2 million to the capital program for future affordable housing at the South Hayward BART Transit-oriented development. In addition, the Low/Mod Fund loaned an additional $1.5 million to the Route 238 Corridor Settlement Agreement Program to cover related settlement costs. These funds will be repaid from the proceeds of future property sales in the 238 Corridor. The Low/Mod Fund also loaned the Agency Capital Fund $455,142 to pay a portion of the State SERAF obligation. Eden Housing, Inc, drew down the remaining balance of approximately $360,000 of a $1.5 million loan to purchase and rehabilitate the 96-unit Tennyson Gardens development. In addition, twenty-six loans, amounting to a total of $810,000, were made under the First-Time Homebuyer program.

Other affordable housing activities are discussed in the narrative "Project Area Report," which staff submits as part of the State Controller's Report in Appendix B to Attachment III.

Agency Indebtedness: Appendix D to Attachment III contains the Statement of Indebtedness, which the Agency must file each year with Alameda County, and which provides the legal basis for the Agency to receive its tax increment revenue. The net amount shown as outstanding indebtedness is approximately $379 million. This amount includes $81.9 million for tax allocation bond repayment (total principal and interest to maturity), loans and advances of $7.8 million that the City has made to the Agency, approximately $30 million to fund projects identified in the Cooperation and Funding Agreement executed in March 2011 between the City and the Agency, an estimated $98 million for the Agency's required set-aside for the Low/Mod Housing Fund for the duration of the Project Area, and $3.9 million owed to the Low/Mod Housing Fund for its portion of the FY 2010 and FY 2011 SERAF payments.

The City and Agency also executed a Transfer Payment Agreement to cover future required remittance payments under ABx1 27 (the Alternative Redevelopment Program). The total amount of these payments to the State through the life of the Project Area (FY 2048) is approximately $56.4 million. These are local tax increment dollars that will flow to the State under the new legislation (pending a different outcome from the pending litigation) and that will be unavailable to the Agency for reinvestment in blight elimination and economic development activities in the Project Area.

ECONOMIC IMPACT

No significant economic impact directly results from the approval of the Annual Report; however, the submission of the Annual Report is necessary to support the operation of the Redevelopment Agency and to receive property tax increment. The Agency's funds and operations are used to eliminate blight, revitalize the Redevelopment Project Area, and to create and preserve affordable housing, with the objective of enhancing the quality of life for Hayward residents. Even though the fate of the Agency is pending a decision by the California Supreme Court on the Redevelopment Restructuring Acts adopted by the State legislature in June 2011, the Agency is still required to timely file the Annual Report to the State Controller.

FISCAL IMPACT

Failure to timely file the Annual Report to the State Controller is a major audit violation. Failure to address major audit violations may subject the Agency to penalties resulting in a forfeiture of up to $10,000 in tax increment.

PUBLIC CONTACT

The City Council/Agency Board last discussed the Agency's finances as part of the FY 2012 budget adoption in June of this year and as part of the discussion regarding whether to "opt-in" to the Alternative Redevelopment Program in July/August 2011. Staff presented an update on the Agency's FY 2011 activities at a special meeting of the Hayward Redevelopment Area Committee on December 7, 2011.

NEXT STEPS

Staff will file the FY 2011 Annual Report with the State Controller's Office prior to December 31, as required by the California Health and Safety Code, in order to avoid monetary penalties for late filing. Should the Agency Board or City Council desire to make any changes to the Annual Report before its filing, staff will make the necessary changes to the documents and subsequently file the Annual Report.

Prepared and Recommended by: Kelly McAdoo Morariu, Assistant City Manager/Interim Redevelopment Agency Director

Approved by:

_____

Fran David, City Manager/Executive Director

Attachments:

Attachment I:	Agency Resolution Adopting FY 2011 Annual Report
Attachment II:	Council Resolution Acknowledging Receipt of FY 2011 Annual Report
Attachment III:	Agency Annual Report for FY 2011

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA 11-_____

Introduced by Agency Member _____

RESOLUTION ADOPTING THE ANNUAL REPORT OF REDEVELOPMENT AGENCY ACTIVITIES FOR FISCAL YEAR 2011

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that it does hereby adopt the "Annual Report of Redevelopment Agency Activities for FY 2011" and directs that the report be filed with the Office of the State Controller.

BE IT FURTHER RESOLVED that the Redevelopment Agency of the City of Hayward hereby forwards a copy of the Annual Report to the City Council of the City of Hayward for its review and appropriate action.

The above and foregoing resolution was duly and regularly passed and adopted at a meeting by the Agency Board on the 20th day of December, 2011 by the following vote:

HAYWARD, CALIFORNIA

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:
CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: _____
Secretary of the Redevelopment Agency of the City of Hayward

APPROVED AS TO FORM:

_____
General Counsel

CITY COUNCIL OF THE CITY OF HAYWARD

RESOLUTION NO. 2011-_____

RESOLUTION ACKNOWLEDGING RECEIPT OF THE ANNUAL REPORT OF REDEVELOPMENT AGENCY ACTIVITIES FOR FISCAL YEAR 2011

BE IT RESOLVED that the City Council of the City of Hayward hereby acknowledges receipt of the "Annual Report of Redevelopment Agency Activities for FY 2011" and directs that the report be filed with the Office of the State Controller.

The above and foregoing resolution was duly and regularly passed and adopted at a meeting by the City Council on the 20th day of December, 2011 by the following vote:

HAYWARD, CALIFORNIA

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk, City of Hayward

APPROVED AS TO FORM:

_____
City Attorney

ATTACHMENT III

ANNUAL REPORT

OF

REDEVELOPMENT AGENCY ACTIVITIES

FOR

FY 2011

Redevelopment Agency of the City of Hayward
December 2011

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A. Independent Financial Audit

See Appendix A, Redevelopment Agency of the City of Hayward Component Unit Financial Statements for the Year Ended June 30, 2010, Independent Auditors' Report and Independent Auditors' Compliance Report.

B. Annual Report of Financial Transactions for FY 2011

See Appendix B, Annual Report of Financial Transactions of Community Redevelopment Agencies, Project Area Report, Report Regarding Progress in Alleviating Blight, Status of Loans, Report on Time Limits for Initiating Eminent Domain Proceedings, and Inventory of Agency-Owned Property.

C. Description of Agency's Activities Affecting Housing and Displacement

See Appendix C, Annual Report of Housing Activity of Community Redevelopment Agencies.

D. Statement of Indebtedness

See Appendix D, Statement of Indebtedness for the 2011 Tax Year.

APPENDIX A

INDEPENDENT FINANCIAL AUDIT FOR FY 2011

Redevelopment Agency of the City of Hayward
December 2011

REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
COMPONENT UNIT FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

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www.mazeassociates.com

INDEPENDENT AUDITOR'S REPORT

Members of the Governing Board of the
Redevelopment Agency of the
City of Hayward, California

We have audited the accompanying component unit financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Hayward (Agency), a component unit of the City of Hayward, as of and for the year ended June 30, 2011, as listed in the Table of Contents. These component unit financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the component unit financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly in all material respects the financial position of the governmental activities and each major fund of the Redevelopment Agency of the City of Hayward as of June 30, 2011 and the respective results of its operations and the budgetary comparison listed as part of the basic financial statements for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As disclosed in Note 12, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. These conditions raise substantial doubt about the Agency's ability to continue as a going concern. However, on August 11, 2011, the California Supreme Court issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the partial stay did not include the section of ABx1 26 that suspends all new redevelopment activities. As a result, the accompanying financial statements have been prepared assuming that the Agency will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2011 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As of July 1, 2010, the Agency adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions. As discussed in Note 9 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and are not a required part of the component unit financial statements of the Agency. Such information has been subjected to the auditing procedures applied in our audit of the component unit financial statements, and in our opinion is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Mozer & Associates

December 10, 2011

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities summarize the entire Agency's financial activities and financial position. They are prepared using the same basis of accounting as is used by most businesses, which means they include all the Agency's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis, the effect of all the Agency's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Agency funds have been eliminated.

The Statement of Net Assets reports the difference between the Agency's total assets and the Agency's total liabilities, including all the Agency's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the Agency's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of all the Agency's Governmental Activities in a single column.

The Statement of Activities reports increases and decreases in the Agency's net assets. It is also prepared on the full accrual basis, which means it includes all the Agency's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The format of the Statement of Activities presents the Agency's expenses that are listed by program first. Program revenue, that is, revenues which are generated directly by these programs are then deducted from program expenses to arrive at the net expense of each program. The Agency's general revenues are then listed and the change in net assets is computed and reconciled with the Statement of Net Assets.

These Agency-wide financial statements along with the fund financial statements and footnotes are called *Component Unit Financial Statements.*

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$4,153,377
Restricted cash and investments with fiscal agent (Note 2)	4,249,265
Accounts receivable	9,744
Interest receivable	7,736
Loans receivable (Note 5)	33,973,002
Total assets	42,393,124
LIABILITIES	
Accounts payable	141,018
Accrued liabilities	18,456
Due to other governments (Note 10)	766,934
Due to the City (Notes 10 & 3)	218,003
Interest payable	823,007
Refundable deposits	367,896
Long-term payable to City (Note 3)	
Due in one year	800,000
Due in more than one year	6,989,843
Long-term debt (Note 7)	
Due within one year	1,540,000
Due in more than one year	48,630,000
Total liabilities	60,295,157
NET ASSETS (Note 9)	
Restricted for:	
Debt service	4,005,028
Low and moderate income housing	3,877,339
Total restricted net assets	7,882,367
Unrestricted	(25,784,400)
Total net assets	($17,902,033)

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities
Expenses:	
Redevelopment	$8,496,090
Interest on long-term debt	2,629,945
Total Expenses	11,126,035
General revenues:	
Taxes:	
Incremental property tax	10,351,054
Investment earnings	82,246
Rental income	50,600
School District reimbursement	1,064,680
Other	342,076
Transfers to the City (Note 4C)	(43,168,255)
Total general revenues and transfers	(31,277,599)
Change in Net Assets	(42,403,634)
Net Assets-Beginning	24,501,601
Net assets-Ending	($17,902,033)

See accompanying notes to financial statements

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REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

FUND FINANCIAL STATEMENTS

The format of the Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between types of funds and the practice of combining like funds and presenting their totals in separate columns (Combined Financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-term Debt Account Groups.

All of the Agency funds were determined to be Major Governmental Funds in fiscal year 2011. They are described below:

The **GENERAL CAPITAL PROJECTS FUND** accounts for all resources used in the acquisition and construction of major capital facilities and other fixed assets under the Redevelopment Plan. Property tax increment revenues are accumulated in this Fund, less the 20% reported in the Low-Moderate Income Fund.

The **TABS CAPITAL PROJECTS FUND** accounts for project costs financed by proceeds from the 2004 and 2006 Tax Allocation Bonds.

The **LOW-MODERATE INCOME HOUSING CAPITAL PROJECTS FUND** accounts for the receipt of the mandated 20% set-aside of tax increment revenue from the Redevelopment Project Area.

The **DEBT SERVICE FUND** accounts for the accumulation of resources for payment of principal, interest, and related costs of the Agency's long-term debt.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011

	General Capital Projects	TABs Capital Projects	Low and Moderate Income Housing	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and investments (Note 2)	$4,153,377				$4,153,377
Cash and investments with fiscal agent (Note 2)	239,896			$4,009,369	4,249,265
Accounts receivable, net	9,744				9,744
Interest receivable	6,913		$823		7,736
Loans receivable (Note 5)	33,973,002				33,973,002
Long-term interfund receivables (Note 3)			3,876,516		3,876,516
Total Assets	$38,382,932		$3,877,339	$4,009,369	$46,269,640
LIABILITIES:					
Accounts payable	$136,677			$4,341	$141,018
Accrued liabilities	18,456				18,456
Due to other governments (Note 10)	766,934				766,934
Due to other funds (Notes 3 & 10)	218,003				218,003
Deferred revenue	33,973,001				33,973,001
Refundable deposits	367,896				367,896
Long-term payable to City (Note 3)	3,876,516				3,876,516
Total Liabilities	39,357,483			4,341	39,361,824
FUND BALANCES (Note 9):					
Restricted			$3,877,339	4,005,028	7,882,367
Unassigned	(974,551)				(974,551)
Total Fund Balances	(974,551)		3,877,339	4,005,028	6,907,816
Total Liabilities and Fund Balances	$38,382,932		$3,877,339	$4,009,369	$46,269,640

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

GOVERNMENTAL FUNDS
BALANCE SHEET (Continued)
JUNE 30, 2011

Total Fund Balances reported on the governmental funds balance sheet	$6,907,816
Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:	
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	
Deferred revenue	33,973,001
Interest payable	(823,007)
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
City advances	(7,789,843)
Long-term debt	(50,170,000)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	($17,902,033)

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	General Capital Projects	TABs Capital Projects	Low and Moderate Income Housing	Debt Service Fund	Total Governmental Funds
REVENUES:					
Incremental property taxes	$8,280,843		$2,070,211		$10,351,054
Investment income	25,327	($623)	61,208	($3,666)	82,246
Rental income	50,600				50,600
Fees and charges for services			34		34
School District reimbursement	1,064,680				1,064,680
Other revenue	297,225		44,817		342,042
Total Revenues	9,718,675	(623)	2,176,270	(3,666)	11,890,656
EXPENDITURES:					
Current:					
Redevelopment:					
Salaries and benefits	720,004		219,901		939,905
Services and supplies	578,623		1,673,042		2,251,665
Administrative charges from City of Hayward	447,599		32,211		479,810
First-time Home Buyers Program					
Housing and business improvement loans	6,990				6,990
Capital outlay	536,814	5,327	445,670		987,811
Debt service					
Repayment of City advances (Note 3)	3,292,952				3,292,952
Principal				1,400,000	1,400,000
Interest and fiscal charges	109,537		115	2,541,363	2,651,015
Pass-through payments (Note 10)	2,151,873				2,151,873
Total Expenditures	7,844,392	5,327	2,370,939	3,941,363	14,162,021
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,874,283	(5,950)	(194,669)	(3,945,029)	(2,271,365)
OTHER FINANCING SOURCES (USES)					
Proceeds from advances (Note 3)	65,273				65,273
Transfers to the City (Note 4C)	(4,665,031)	(5,870,000)	(7,420,748)		(17,955,779)
Transfers in (Note 4B)		100,000		3,940,675	4,040,675
Transfers (out) (Note 4B)	(4,040,675)				(4,040,675)
Total Other Financing Sources (Uses)	(8,640,433)	(5,770,000)	(7,420,748)	3,940,675	(17,890,506)
NET CHANGE IN FUND BALANCES	(6,766,150)	(5,775,950)	(7,615,417)	(4,354)	(20,161,871)
BEGINNING FUND BALANCES	5,791,599	5,775,950	11,492,756	4,009,382	27,069,687
ENDING FUND BALANCES	($974,551)		$3,877,339	$4,005,028	$6,907,816

See accompanying notes to financial statements

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	($20,161,871)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation deducted from net assets	(377,744)
Transfer of capital assets to the City	(19,224,855)
LONG TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	1,400,000
Repayment of city advances is added back to fund balance	3,292,952
Proceeds from Advances is deducted from fund balance	(65,273)
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Transfer of loans receivable to the City	(5,987,621)
Deferred revenue	(1,300,292)
Interest payable	21,070
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	($42,403,634)

See accompanying notes to financial statements

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Redevelopment Agency and Redevelopment Plan

The Redevelopment Agency of the City of Hayward (the Agency) was created in December 1969 under the provisions of the Community Redevelopment Law (California Health and Safety Code), for clearance and rehabilitation of areas determined to be in a declining condition in the City of Hayward. A Redevelopment Plan was adopted in December 1975 and amended in April 1994 to provide an improved physical, social, and economic environment in the Project Area. In November 1998 a redevelopment amendment added approximately 370 acres to the existing Project Area for the primary purpose of undertaking neighborhood preservation activities in the residential areas and facilitate reuse or redevelopment of certain industrial and commercial sites over time. In fiscal year 2002, the Agency amended its plan to increase the project area by an additional 738 acres near the Mission and Foothill Boulevard corridors extending north and south of the existing project area. As a result, the total acreage of the Redevelopment Project Area is 1,348 acres.

The Agency is authorized to finance the Redevelopment Plan from various sources, including assistance from the City, the State and federal government, property tax increments, interest income, and the issuance of Agency notes and bonds.

The Agency is an integral part of the City of Hayward and, accordingly, the accompanying financial statements are included as a component of the basic financial statements prepared by the City. A component unit is a separate governmental unit, agency or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's basic financial statements.

B. Basis of Presentation

The Agency's Component Unit Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Agency-wide Statements: The Statement of Net Assets and the Statement of Activities include the financial activities of the overall Agency government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Agency. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. Any remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

C. *Major Funds*

Major funds are identified using the criteria in GASB 34, which requires that the Agency's major funds be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The Agency may also select other funds it believes should be presented as major funds. The Agency selected the Low-Mod Income Housing Operating Fund to be treated as a major fund.

The Agency reported all of its governmental funds in the accompanying financial statements as major funds:

The **General Capital Projects Fund** accounts for all resources used in the acquisition and construction of major capital facilities and other fixed assets under the Redevelopment Plan.

The **TABS Capital Projects Fund** accounts for project costs financed by proceeds from the 2004 and 2006 Tax Allocation Bonds.

The **Low-Moderate Income Housing Capital Projects Fund** accounts for the receipt of the mandated 20% set-aside of tax increment revenue from the Redevelopment Project Area.

The **Debt Service Fund** accounts the accumulation of resources for and the payment of principal, interest, and related costs of the Agency's long-term debt.

D. *Basis of Accounting*

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The Agency considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

Other revenues susceptible to accrual include interest and charges for services.

Under the terms of grant agreements, the Agency may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and unrestricted redevelopment revenues. Thus, both restricted and unrestricted net assets are available to finance program expenditures. The Agency's policy is to first apply restricted grant resources to such programs, followed by unrestricted redevelopment revenues if necessary.

E. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. The Agency's policy is to capitalize all assets with costs $5,000 and with useful lives exceeding two years.
With the implementation of GASB Statement 34, the Agency is required to record all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems. Infrastructure assets are transferred to the City upon completion as the City will maintain them. GASB 34 required such assets to be excluded from the Agency's financial statements and included in the City's financial statements.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Agency has assigned the useful lives listed below to capital assets.

Buildings	10-50 years
Improvements	10-50 years
Equipment	7-50 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

F. Budgets and Budgetary Accounting

The Agency adopts an annual operating budget, effective July 1, for the ensuing fiscal year for the Capital Projects Funds and Debt Service Fund.

The Agency Executive Director may transfer appropriations from one program, activity, or object to another within the same fund. However, transfers of appropriations which increase total fund appropriations must be approved by the Agency Board. Expenditures which exceed appropriations at the fund level must be approved by the Agency Board. All unexpended appropriations lapse at the end of the fiscal year.

Budget versus actual comparisons for capital projects and debt service funds are excluded from these financial statements, as generally accepted accounting principals do not require such presentations.

G. Property Tax Increment

All property taxes are levied and collected by the County Auditor of the County of Alameda and paid to the various taxing entities including the Agency. Secured taxes are due on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured taxes are due on July 1 and become delinquent on August 31. The lien date for secured and unsecured property taxes is January 1 of the preceding fiscal year. Property tax increment revenues include only property taxes resulting from increased assessed values and are recognized in the fiscal year for which the taxes have been levied, provided they become available and measurable within the current period or soon enough thereafter to be used to pay liabilities of the current period.

H. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

The Agency's dependence on incremental property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The Agency pools cash from all sources and all funds except cash held by the Trustees so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Investments are carried at fair value.

A. Policies

The Agency invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the Agency employs the Trust Department of a bank as the custodian of all Agency managed investments, regardless of their form.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

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The Agency adopts an annual operating budget, effective July 1, for the ensuing fiscal year for the Capital Projects Funds and Debt Service Fund.

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NOTE 2 - CASH AND INVESTMENTS (Continued)

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Agency's cash on deposit or first trust deed mortgage notes with a value of 150% of the Agency's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the Agency's name and places the Agency ahead of general creditors of the institution pledging the collateral.

The Agency's investments are carried at fair value, as required by generally accepted accounting principles. The Agency adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the Agency's case fair value equals fair market value, since all of the Agency's investments are readily marketable.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Agency debt instruments or Agency agreements.

City of Hayward pooled investments	$4,153,377
Cash and investments with fiscal agents:	
Cash in Bank	$239,896
Money Market Funds	4,009,369
	4,249,265
	$8,402,642

C. Investments Authorized by the California Government Code and the City's Investment Policy

The Agency participates in the City cash and investment pool which is governed by the City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded.

NOTE 2 - CASH AND INVESTMENTS (Continued)

The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	4 years	None	No Limit	No Limit
U.S. Agency Securities (fully backed)	4 years	None	No Limit	No Limit
U.S. Agency Securities (sponsored)	4 years	None	50%	20%
Banker's Acceptance	180 days	A-1/P-1	40%	30%
Commercial Paper	270 days	A-1/P-1	15%	10%
Negotiable Certificates of Deposit	4 years	A to AA	30%	20%
Repurchase Agreements	1 year	None	25%	20%
Reverse Repurchase Agreements	92 days	None	20%	20%
Medium Term Notes	2-4 years	A to AA	30%	20%
Mutual Funds		Limited to bond proceeds only		
Money Market Fund	2 years	AAA	20%	10%
Asset-backed Corporate notes	4 years	AA	20%	20%
County Treasurer Pool	None	None	15%	20%
California Local Agency Investment Fund	None	None	$150 Million	$40 Million
Certificates of Deposit	4 years	None	25%	20%

D. *Investments Authorized by Debt Agreements*

The Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the Agency fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Agency resolutions, bond indentures, or State statutes.

NOTE 2 - CASH AND INVESTMENTS (Continued)

The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit
U.S. Treasury Obligations	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (sponsored)	No Limit	None to AAA
Money Market Mutual Funds	No Limit	Aam to AAAm-G
Collaterized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No Limit	No Limit
		None to two
Investment Agreements	No Limit	Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
		A/A2 to Two
State General Obligations	No Limit	Highest Categories
		AAA to Two
Municipal Obligations	No Limit	Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-funded Municipal Bonds	No Limit	AAA
California Local Agency Investment Fund	No Limit	No Limit

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency generally manages its interest rate risk by holding investments to maturity. The Agency participates in the City of Hayward Cash and Investments pool, detail of which is presented in the City's Comprehensive Annual Financial Report. Money Market Funds are available for withdrawal on demand and at June 30, 2011, matured in an average of 23 to 50 days.

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Money Market Funds were rated AAAm as of June 30, 2011.

NOTE 3 - RECEIVABLES FROM/PAYABLES TO THE CITY OF HAYWARD

A. Due to the City

As of June 30, 2011, the Agency owed the City $231,003 in pass-through payments. See Note 10.

B. Long term Advances From City

The City has made various loans and advances to finance Agency operations and consist of the following:

a. In 1990, the City's Water Enterprise Fund made a loan to the Agency to finance the purchase of land for development. Scheduled debt service payments for the loan are being made from available incremental property tax revenues. During the year ended June 30, 2011, the Agency repaid the outstanding balance of $1,041,075 pursuant to Board Resolution.

b. During fiscal year 2003, the Sewer Enterprise Fund loaned $2.35 million to the Redevelopment Agency pursuant to a City Council resolution to partially finance sidewalk improvements. This loan bears interest from 2.25% to 3.00%, which is repaid quarterly. Principal is repayable over a five-year period commencing the fourth quarter of fiscal year 2006. During the year ended June 30, 2011, the Agency repaid the outstanding balance of $831,877 pursuant to Board Resolution.

c. In addition to the above amounts, funds have been advanced under an Amended Repayment Agreement whereby the Agency has agreed to reimburse the City a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza not to exceed $11,186,217.

   The Agency is to pay annual installments of $800,000 July 1 of each year and interest will accrue on the unpaid balance at a rate equal to the average rate earned by the City on moneys invested in LAIF for the applicable fiscal year. Interest shall accrue and be added to the principal balance June 30 of each year. During the year ended June 30, 2011, interest amounting to $65,273 was added and pursuant to Board resolution, the Agency repaid $1,420,000. As of June 30, 2011, the balance outstanding was $7,789,843.

NOTE 4 –INTERFUND TRANSACTIONS

A. Long-Term Interfund Advances

In fiscal year 2010, the Agency's Low and Moderate Income Housing Fund loaned $3,421,374 to the Agency's General Capital Projects Fund for the sole purpose of making the Supplemental Education Relief Augmentation Fund (SERAF) payment to the State of California for the fiscal year 2010. In fiscal 2011, an additional $455,142 was borrowed to finance the 2010-11 SERAF payment. As of June 30, 2011 the outstanding balance is $3,876,526. The advances bear no interest. Of the total advance, $3,421,374 shall be repaid to the Low and Moderate Income Housing Fund on or before June 30, 2015 with the remainder repaid on or before June 30, 2016.

NOTE 4 –INTERFUND TRANSACTIONS (Continued)

B. Interfund Transfers

With Council approval, resources may be transferred from one fund to another. Transfers between funds during the fiscal year ended June 30, 2011 were as follows:

FROM FUND:	TO FUND:	AMOUNT:	
General Capital Projects Fund	TABs Capital Projects Fund	$100,000	A
	Debt Service Fund	3,940,675	A
		$4,040,675	

A To fund debt service, capital projects and administrative overhead

C. Transfers to the City

FROM FUND:	PURPOSE OF TRANSFER:	AMOUNT:	
General Capital Projects Fund	Transfer of Land Held for Redevelopment	$3,695,031	(1)
	To fund capital projects	165,000	(3)
	To fund capital projects	805,000	(3)
Fund total		4,665,031	
TABs Capital Projects Fund	Transfer of Land Held for Redevelopment	5,870,000	(1)
Low and Moderate Income Housing	Transfer of Land Held for Redevelopment	707,539	(1)
	Housing Authority Grants	6,713,209	(2)
Fund total		7,420,748	
Total Governmental Funds		17,955,779	
Governmental Activities	To transfer capital assets	19,224,855	(1)
	To transfer loans receivable	5,987,621	(2)
Fund total		25,212,476	
Statement of Activity total		$43,168,255	

(1) - In March 2011, the Agency made required findings in accordance with Health and Safety Code Section 33430 to allow the transfer of land held for redevelopment to the City.

(2) – Under a cooperation agreement, the Agency granted funds to the Housing Authority of the City of Hayward which it will use for low and moderate income purposes consistent with the California Redevelopment Law. The Agency Low & Moderate Income Housing Capital Projects Fund transferred $2,519,118 and $4,194,091 to the Housing Authority Low & Moderate Income Housing Capital Projects Fund and the Housing Authority Capital Projects Fund, respectively. In addition, the Agency transferred loans receivable with a balance amounting to $5,987,621 to the Housing Authority during fiscal 2010-11. As of June 30, 2011, the balance of unspent grant funds held by the Housing Authority totaled $7,228,291.

NOTE 4 –INTERFUND TRANSACTIONS (Continued)

(3) The City expends funds on capital projects on behalf of the Agency and the Agency often transfers the required funds to the City prior to the start of the project. Any unspent funds are returned to the Agency upon completion of the project. As of June 30, 2011, the balance of unspent project funds held by the City totaled $450,000.

NOTE 5 – REDEVELOPMENT ACTIVITIES

A. Land Held For Redevelopment

Land Held for Redevelopment is stated at the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the Redevelopment Agency of the City of Hayward. The stated purpose of the Redevelopment Plan is to provide an improved physical, social and economic environment in the Project Area.

As discussed in Note 4C, in March 2011, the Agency made required findings in accordance with Health and Safety Code Section 33430 to allow the transfer of land held for redevelopment to the City.

B. Eden Housing

In June 2011 the City, on behalf of the Agency, entered into a developer and disposition agreement with Eden Housing Inc. to convey and develop a land parcel for low and moderate income housing units. The property is to be sold for $1. Approximately 22 units are to be built at the site.

C. Elementary School and Public Improvements (Cannery/Burbank Project)

Pursuant to an agreement between the Agency, City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the Agency. The project was completed during the year ended June 30, 2009 for a total cost of $35,944,664. The site and improvements have been conveyed to the School District in exchange for a portion of land owned by the School District (the old school site).

The Agency also agreed to deconstruct the old school site, and finance the cost of certain infrastructure improvements to the adjacent Cannery Park, which will be jointly used by HARD and the School District. This infrastructure project was completed during the year ended June 30, 2009 for a total cost of $6,813,260. The site and improvements have been conveyed to HARD.

Receivables – To partially compensate the Agency for the above design and construction costs and repay the advances, the School District, HARD and the City have agreed to assign certain school development fees and park-in-lieu fees to the Agency. In addition, the School District has agreed that the Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code, as partial compensation for the above costs.

NOTE 5 – REDEVELOPMENT ACTIVITIES (Continued)

The remaining unreimbursed costs are recorded in a schedule of changes in the loan receivable balance for the year ended June 30, 2011.

	School Project	Cannery Park	Total
Balance at June 30, 2010	$29,789,611	$4,517,553	$34,307,164
Additional reimbursable costs incurred during the fiscal year	5,623	13,063	18,686
Less: Pass-through payments	(256,653)		(256,653)
Less: Development fees	(808,027)		(808,027)
Less: Park in lieu fees		(208,371)	(208,371)
Balance at June 30, 2011	$28,730,554	$4,322,245	$33,052,799

C. Loans Receivable

In order to carry out low and moderate housing programs, Redevelopment low and moderate income housing funds were loaned to home buyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing. The loans bear interest at rates equivalent to either the 11th district cost of funds or the rate the City earns on its cash and investments.

Huntwood Commons Apartments – The City has a loan agreement with Eden Housing, Inc., a California nonprofit public benefit corporation. Eden Housing intends to rehabilitate thirty-nine units of rental housing for rental to low-income households and one manager's unit. The loans are in the amount of $840,000 consisting of HOME funds and $175,500 consisting of Workforce Housing Reward funds. At June 30, 2011 the principal balances outstanding for the HOME and Workforce Housing Reward loan funds were $840,000 and $175,500, respectively. The outstanding principal balance of the loan funds will accrue interest at a rate of 3% annually. Repayments of the principal amount of the loan and any accrued interest on such principal shall be deferred until April 30, 2062.

NOTE 6 – CAPITAL ASSETS

Changes in the capital assets consisted of the following:

	Balance at June 30, 2010	Additions	Transfers	Balance at June 30, 2011
Capital assets not being depreciated:				
Land	$5,277,955		($5,277,955)	
Total Capital assets not being depreciated	5,277,955		(5,277,955)	
Capital assets being depreciated:				
Buildings	14,135,897		(14,135,897)	
Improvements other than buildings	1,574,361		(1,574,361)	
Machinery and equipment	15,681		(15,681)	
Total capital assets being depreciated	15,725,939		(15,725,939)	
Less accumulated depreciation for:				
Buildings	1,192,986	$314,131	(1,507,117)	
Improvements other than buildings	194,171	62,975	(257,146)	
Machinery and equipment	14,138	638	(14,776)	
Total accumulated depreciation	1,401,295	377,744	(1,779,039)	
Net capital assets being depreciated	14,324,644	(377,744)	(13,946,900)	
Capital assets, net	$19,602,599	($377,744)	($19,224,855)	

In March 2011, the Agency made required findings in accordance with Health and Safety Code Sections 33430 to allow the conveyance of twenty parcels that had been recorded as capital assets with a book value of $19,224,855 to the City.

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations consist of the following:

Type of Obligation	Authorized and Issued	Principal Outstanding June 30, 2010	Retirements	Principal Outstanding June 30, 2011	Current Portion
Tax Allocation Bonds,					
2004 Redevelopment Agency due 3/1/2034, interest at 3%-5.23%	$44,790,000	$39,770,000	$1,400,000	$38,370,000	$1,460,000
2006 Redevelopment Agency due 3/1/2036, interest at 3.75%-4.3%	11,800,000	11,800,000		11,800,000	80,000
Total	$56,590,000	$51,570,000	$1,400,000	$50,170,000	$1,540,000

In fiscal year 2004, the Agency issued $44,790,000 principal amount of **Redevelopment Agency Tax Allocation Bonds, Series 2004**, the proceeds of which were used to defease and retire the Redevelopment Agency Tax Allocation Bonds, Series 1996, and to finance various other redevelopment projects within the Redevelopment Area.

In fiscal year 2006, the Agency issued $11,800,000 principal amount of **Redevelopment Agency Tax Allocation Bonds, Series 2006**, the proceeds of which will be used to finance various redevelopment projects within the Redevelopment Area.

NOTE 7 - LONG-TERM OBLIGATIONS (Continued)

The Tax Allocation Bonds are secured by a pledge of tax increment revenues. The pledge of future incremental property tax revenues ends upon repayment of the remaining debt service on the Bonds scheduled to occur in 2036. During fiscal year 2011, pledged revenues amounted to $10,351,054 representing 262% of the $3,941,363 in debt service.

Summary of scheduled debt service payments follows:

	Governmental Activities	
Year Ending June 30	Principal	Interest
2012	$1,540,000	$2,469,022
2013	1,605,000	2,400,320
2014	1,680,000	2,328,656
2015	1,750,000	2,253,588
2016	1,835,000	2,173,930
2017 - 2021	10,540,000	9,486,089
2022 - 2026	13,420,000	6,596,998
2027 - 2031	10,535,000	3,169,548
2032 - 2036	7,265,000	1,142,259
Totals	$50,170,000	$32,020,410

NOTE 8 - JOINT POWERS AGENCY

The Hayward Public Financing Authority (Authority) was established in May 1989 when the Agency and the City entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California for the purpose of financing certain capital improvements within the City. The governing body of the Authority consists of the City's seven City Council members who also act as the Agency's governing body. As a separate legal entity, the Authority exercises full power and authority within the scope of the Joint Powers Agreement including the accountability for all funds, the power to make and execute contracts, and the right to sue and be sued. Obligations and liabilities of the Authority are not those of the Agency.

Complete financial statements of the Authority can be obtained from: City of Hayward, Finance Department, 3rd Floor, 777 B Street, Hayward, California 94541.

NOTE 9 – NET ASSETS AND FUND BALANCES

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

Net Assets is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1D.

A. Net Assets

Net Assets is the excess of all the Agency's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Agency cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Assets which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The Agency's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the Agency to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Agency prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)

Committed fund balances have constraints imposed by formal action of the Board of Directors which may be altered only by formal action of the Board of Directors. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the Agency's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board of Directors or its designee and may be changed at the discretion of the Board of Directors or its designee. This category includes encumbrances, Nonspendables, when it is the Agency's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 10 – PASS-THROUGH PAYMENTS, TAX INCREMENT SHIFT TO EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF)

Pursuant to California Redevelopment Law (Health and Safety Code Section 33607.5), the Agency is obligated to pass-through a portion of the gross tax increment received to jurisdictions within the project area. In fiscal year 2011, pass-through payments to affected jurisdictions amounted to $2,151,873. As of June 30, 2011, the Agency owed $984,937 to affected jurisdictions, including the City.

Since the Agency began making statutory pass through payments to other taxing entities in FY 2002, the Alameda County Auditor-Controller has maintained a position that pass through payments should be made to the Alameda County Education Relief Augmentation Fund (County ERAF). The Agency has disputed this position as being inconsistent with California law, and up until FY 2009 the Agency has calculated and held those amounts aside until the dispute could be resolved. In FY 2009, AB 1389 was passed by the State legislature. This law required that redevelopment agencies submit reports to the county Auditor-Controller regarding their pass-through payments for fiscal years ending 2009 and 2010, and for the previous five-year period. As a result of this process, the Alameda County Auditor-Controller required the Agency to make payment to the County ERAF in the amount of $995,486. The Agency, at the advice of legal counsel, made the payment under protest in prior years, and utilized the funds which it has been setting aside in previous years for that purposes.

The State of California adopted AB26 4X in July 2009 which directs that a portion of the incremental property taxes received by redevelopment agencies be paid instead to the County supplemental educational revenue augmentation fund (SERAF) in fiscal years 2009-10 and 2010-11. The State Department of Finance determines each agency's SERAF payment by November 15 of each year, and payments are due by May 10 of the applicable year. The Agency made its first SERAF payment of $4,421,374 in fiscal year 2009-10, and its second payment in the amount of $910,283 in fiscal year 2010-11.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Agency is subject to claims and legal proceedings arising from its normal operations. It is the opinion of management that any obligations, which may result from such claims and legal proceedings, will not have a material effect on the financial position of the Agency.

NOTE 12 – PROPOSED REDEVELOPMENT DISSOLUTION

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by the City opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. Concurrently with these two measures, the State passed various budget and trailer bills that are related and collectively constitute the Redevelopment Restructuring Acts. If all sponsoring communities were to opt-in to the voluntary program, these contributions amount to an estimated $1.7 billion for fiscal year 2012 and an estimated $400 million in each succeeding year. The City enacted an "opt-in" ordinance on August 2, 2011, whereby the City agreed to comply with the requirements of ABx1 27, including committing to making the voluntary program payments. If the City fails to make the voluntary program payment, the Agency would become subject to the dissolution provisions of ABx1 26.

On July 18, 2011, the California Redevelopment Association, the League of California Cities and others challenged the validity and constitutionality of ABx1 26 and 27 to the California Supreme Court on numerous grounds, including that the acts violate certain provisions of the California Constitution. On August 11, 2011, as modified on August 17, 2011, the California Supreme Court agreed to hear the case and issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the stay did not include the section of ABx1 26 that suspends all new redevelopment activities. It is anticipated that the Court will render its decision before January 15, 2012, the date the first voluntary program payment is due.

The suspension provisions of ABx1 26 prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26. During the suspension period, an agency is required to prepare an Enforceable Obligation Payment Schedule no later than August 29, 2011, that allows it to continue to pay certain obligations. The Agency adopted its Enforceable Obligation Payment Schedule on August 13, 2011.

In addition, the suspension provisions require the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the State Controller is required to order the asset returned to the redevelopment agency. The State Controller's Office has not yet provided any information about the timing or the process for this statewide asset transfer review.

The Agency is currently subject to the suspension provisions as described above. These facts indicate that there is more than a remote possibility the Agency may not continue as a going concern beyond October 1, 2011. The continuation of the Agency beyond October 1, 2011 will initially depend upon whether the Supreme Court rules in favor of the petitioners. There are three possible consequences to the Agency from a decision of the Supreme Court, when it is rendered:

NOTE 12 – PROPOSED REDEVELOPMENT DISSOLUTION (Continued)

1. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid, then the City will opt-in to the alternative voluntary redevelopment program. In August 2011 the City enacted an Ordinance which the City elected, on behalf of itself and the Agency, to comply with the provisions of Part 1.9 of the Redevelopment Law, including the required annual payments to the County Auditor-Controller and the Agency would no longer be subject to the suspension provisions. It is anticipated that the City's annual remittances would be reimbursed by the Agency from tax increment revenues of the Downtown Hayward Project Area. The State Department of Finance calculated the City's Voluntary Program payment for fiscal year 2012 to be $4,040,772. The City filed an appeal of that amount in accordance with the provisions of Health and Safety Code Section 34194(b)(2)(L); however, the State Department of Finance denied the remittance appeal.

2. If the Supreme Court determines that ABx1 26 is valid, but ABx1 27 is not valid, the Agency will continue to be subject to the suspension provisions and would be dissolved in accordance with certain provisions of ABx1 26. Prior to dissolution, any transfers of Agency assets subsequent to January 1, 2011 to the City and the Housing Authority, including those discussed in Notes 4 and 6, that were not obligated to third parties or encumbered may be subject to the State Controller's review discussed above and required to be returned to the Agency. Upon dissolution, all assets and obligations of the Agency would be transferred to a successor agency.

3. If the Supreme Court determines that both ABx1 26 and ABx1 27 are invalid, the Agency would no longer be subject to the suspension provisions and would continue in existence under California Redevelopment Law as it existed prior to the enactment of ABx1 26 and ABx1 27.

As of December 10, 2011, the Supreme Court has not ruled on the case and the Agency is subject to the suspension provisions as discussed above.

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
EXCESS SURPLUS CALCULATION

Excess surplus is defined in Health and Safety Code Section 33334.12(b) as any unexpended and unencumbered amount in an Agency's Low and Moderate Income Housing Fund that exceeds the greater of $1,000,000 or the aggregate amount deposited into the Low and Moderate Income Housing Fund during the preceding four fiscal years, as of the beginning of the fiscal year.

If excess surplus exists, the Agency must lawfully spend the excess or transfer it to a housing authority or other public agency in the following fiscal year, expend or encumber in the next two fiscal years or face sanctions. Essentially, agencies have a three-year window to expend, encumber, or transfer the excess surplus.

	Low and Moderate Income Housing Fund - Downtown Project Area July 1, 2010	
Opening Fund Balance -- July 1, 2010		$11,492,756
Less Unavailable Amounts:		
Land held for resale	($707,539)	
Advances to other funds	(3,421,374)	
		(4,128,913)
Available Low and Moderate Income Housing Funds		7,363,843
Limitation (greater of $1,000,000 or four years set-aside)		
Set-Aside for last four years - fiscal years ended:		
June 30, 2010	$2,036,131	
June 30, 2009	2,526,043	
June 30, 2008	2,416,597	
June 30, 2007	2,293,128	
Total	$9,271,899	
Base limitation	$1,000,000	
Greater amount		9,271,899
Computed Excess Surplus - July 1, 2010		None

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Governing Board of the
City of Hayward Redevelopment Agency
Hayward, California

We have audited the financial statements of the Redevelopment Agency of the City of Hayward as of and for the year ended June 30, 2011, and have issued our report thereon dated December 10, 2011. The report included a special emphasis paragraph concerning proposed redevelopment dissolution and a paragraph discussing the implementation of Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

As part of our audit, we prepared and issued our separate Memorandum on Internal Control dated December 10, 2011, which is an integral part of our audit and should be read in conjunction with this report.

This report is intended solely for the information and use of management, Agency Board, others within the Agency, the State Controller's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moze + Associates

December 10, 2011

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE CALIFORNIA HEALTH AND SAFETY CODE AS REQUIRED BY SECTION 33080.1

Members of the Governing Board of the
City of Hayward Redevelopment Agency
Hayward, California

Compliance

We have audited the City of Hayward Agency's compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, issued by the State Controller.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above has occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011. However, the results of our audit procedures disclosed instances of noncompliance that are required to be reported under the *Guidelines for Compliance Audits of California Redevelopment Agencies, June 2011*, which are described in the accompanying Schedule of Current Year Findings.

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We did not audit the Agency's responses to the findings included in the Schedule of Current Year Findings and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, Agency Board, others within the Agency, the State Controller's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

December 10, 2011

SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended June 30, 2011

Major Compliance Violations, as defined in Health and Safety Code Section 33080.8(j):

None

Other Compliance Violations:

RDA2011 - 1: Comparison of Achievements Against Goals

Criteria: Health and Safety Code Section 33606 requires the Agency's annual budget include a comparison of the prior year's goals against the achievement of said goals with the previous year's work program.

Condition: During our tests of the Agency's compliance with the requirements of the Health and Safety Code using the Guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, we noted the Agency did not include a comparison of the prior year's goals against the achievement of said goals with the previous year's work program in its 2010-2011 budget.

Effect: Required discussion was not included in the budget.

Cause: Staff omitted described discussion.

Recommendation: We recommend the Agency implement procedures to make certain the aforementioned comparison is included in its annual budget as is required of it by the California Health and Safety Code.

Management's Response: The Agency will ensure that appropriate discussions are included in future budgets.

RDA2011 - 2: Eminent Domain Time Limits

Criteria: Health and Safety Code Section 33808.1 requires the Agency to annually report to the State Controller's Office the time limit for the commencement for eminent domain proceedings to acquire property within a given project area.

Condition: During our tests of the Agency's compliance with the requirements of the Health and Safety Code using the Guidelines for Compliance Audits of California Redevelopment Agencies issued by the State Controller's Office, we noted the Agency did not appear to include the time limit for eminent domain proceedings within the submitted State Controller's Report for fiscal year 2010.

Effect: Required discussion was not included.

Cause: Staff omitted described discussion.

Recommendation: We recommend the Agency develop procedures to ensure the time limit for eminent domain proceedings are included in the annual State Controller's Report.

Management's Response: The Agency will ensure that appropriate time limits are documented in future submissions.

APPENDIX B

ANNUAL REPORT OF FINANCIAL TRANSACTIONS FOR FY 2011

Redevelopment Agency of the City of Hayward
December 2011

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year 2011

Members of the Governing Body

	Last Name	First Name	Middle Initial
Chairperson	Sweeney	Michael	
Member	Henson	Olden	
Member	Quirk	Bill	
Member	Halliday	Barbara	
Member	Zermeno	Francisco	
Member	Salinas	Mark	
Member	Pelxoto	Marvin	
Member			
Member			
Member			

Agency Officials

	Last Name	First Name	Middle Initial	Phone
Executive Director	David	Fran		(510) 583-4300
Fiscal Officer	Vesely	Tracy		(510) 583-4010
Secretary	Lens	Miriam		(510) 583-4401

	Report Prepared By	Independent Auditor
Firm Name		Maze & Associates Accountancy Corp.
Last	Pustelnik	Biggs
First	Mikyung	Cory
Middle Initial	K	
Street	777 B Street	3478 Buskirk Ave, Suite 215
City	Hayward	Pleasant Hill
State	CA	CA
Zip Code	94541-5007	94523-
Phone	(510) 583-4051	(925) 930-0902

Mailing Address

Street 1 777 B Street

Street 2

City Hayward **State** CA **Zip** 94541-5007

Phone (510) 583-4010 ☐ **Is Address Changed?**

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Audit Information

Fiscal Year 2011

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?	Yes	If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.
Indicate Financial Audit Opinion	Unqualified	1. Comparision of Achievement Against Goals: The agency will ensure that appropriate discussions are included in future budgets. 2. Eminent Domain Time Limits: Agency will ensure that appropriate time limits are documented in future.
If Financial Audit is not yet Completed, What is the Expected Completion Date?		
If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given		
Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?	Yes	
Indicate Compliance Audit Opinion	Unqualified	
If Compliance Audit is not yet Completed, What is the Expected Completion Date?		

Redevelopment Agency Of The City Of Hayward
Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

*Retail Attraction Program - began in 2006, provides loans to property owners and business to attract targeted retailers to fill vacancies in downtown area for rehabilitation and facade improvements.

*Electrical Transformer Project - to improve electrical infrastructure to building enabling leasing of chronically vacant or undeserved buildings.

*Cinema Entertainment Complex - includes development of two story retail/entertainment complex featuring 12 movie screens theatre operated by Century Theatures; 19,500 sq ft of restaurant and retail space, and 244 space public parking structure; Agency is promoting leasing in the complex.

*Burbank/ Cannery Area - centerpiece development included Burbank Elementary School and expanded Cannery Park.

*Development of 3.9 acre Burbank

Forwarded from Prior Year ?	Yes
Enter Code for Type of Project Area Report	P
P = Standard Project Area Report / A = Administrative Fund	
L = Low and Moderate Income Housing Fund / M = Mortgage Revenue Bond Program	
O = Other Miscellaneous Funds or Programs / S = Proposed (Survey) Project Area	
Does the Plan Include Tax Increment Provisions?	Yes
Date Project Area was Established *(MM-DD-YY)*	12/30/1975
Most Recent Date Project Area was Amended	5/2/2006
Did this Amendment Add New Territory?	No
Most Recent Date Project Area was Merged	
Will this Project Area be Carried Forward to Next Year?	Yes
Established Time Limit :	
Repayment of Indebtedness *(Year Only)*	2047
Effectiveness of Plan *(Year Only)*	2032
New Indebtedness *(Year Only)*	2021
Size of Project Area in Acres	1,348
Percentage of Land Vacant at the Inception of the Project Area *Health and Safety Code Section 33320.1 (xx.x%)*	4.0
Percentage of Land Developed at the Inception of the Project Area *Health and Safety Code Section 33320.1 (xx.x%)*	96.0
Objectives of the Project Area as Set Forth in the Project Area Plan *(Enter the Appropriate Code(s) in Sequence as Shown)*	RCPO

R = Residential I = Industrial C = Commercial P = Public O = Other

Redevelopment Agency Of The City Of Hayward
Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year **2011**

Project Area Name	Downtown Hayward Project Area
Frozen Base Assessed Valuation	622,930,415
Increment Assessed Valuation	966,189,235
Total Assessed Valuation	1,589,119,650

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail				Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
County			1,219,393	$1,219,393		
Cities			218,003	$218,003		
School Districts			454,929	$454,929		
Community College Districts			56,279	$56,279		
Special Districts			203,269	$203,269		
Total Paid to Taxing Agencies	$0	$0	$2,151,873	$2,151,873	$0	$0
Net Amount to Agency				$8,199,181		
Gross Tax Increment Generated				10,351,054		

Redevelopment Agency Of The City Of Hayward
Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2011

Project Area Name	Downtown Hayward Project Area
Tax Allocation Bond Debt	81,861,922
Revenue Bonds	
Other Long Term Debt	
City/County Debt	7,789,843
Low and Moderate Income Housing Fund	98,242,000
Other	141,554,358
Total	$329,448,123
Available Revenues	4,249,265
Net Tax Increment Requirements	$325,198,858

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Forward from Prior Year	Yes
Bond Type	City/County Debt
Year of Authorization	1975
Principal Amount Authorized	11,186,217
Principal Amount Issued	11,186,217
Purpose of Issue	Downtown city redevelopment
Maturity Date Beginning Year	2008
Maturity Date Ending Year	2036
Principal Amount Unmatured Beginning of Fiscal Year	$9,144,570
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	65,273
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,420,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$7,789,843
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Forward from Prior Year	Yes
Bond Type	City/County Debt
Year of Authorization	1975
Principal Amount Authorized	8,296,333
Principal Amount Issued	8,296,333
Purpose of Issue	Property Acquisition
Maturity Date Beginning Year	1990
Maturity Date Ending Year	2013
Principal Amount Unmatured Beginning of Fiscal Year	$1,872,952
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,872,952
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$0
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2004
Principal Amount Authorized	44,790,000
Principal Amount Issued	44,790,000
Purpose of Issue	New Capital Projects and Refunding
Maturity Date Beginning Year	2004
Maturity Date Ending Year	2034
Principal Amount Unmatured Beginning of Fiscal Year	$39,770,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,400,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$38,370,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

Forward from Prior Year	Yes
Bond Type	Tax Allocation Bonds
Year of Authorization	2006
Principal Amount Authorized	11,800,000
Principal Amount Issued	11,800,000
Purpose of Issue	New Capital Projects and Refunding
Maturity Date Beginning Year	2006
Maturity Date Ending Year	2036
Principal Amount Unmatured Beginning of Fiscal Year	$11,800,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	$11,800,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross *(Include All Apportionments)*	8,280,843		2,070,211		$10,351,054
Special Supplemental Subvention					$0
Property Assessments					$0
Sales and Use Tax					$0
Transient Occupancy Tax					$0
Interest Income	24,704	-3,666	61,208		$82,246
Rental Income	50,600				$50,600
Lease Income					$0
Sale of Real Estate					$0
Gain on Land Held for Resale					$0
Federal Grants					$0
Grants from Other Agencies					$0
Bond Administrative Fees					$0
Other Revenues	1,361,905		44,851		$1,406,756
Total Revenues	$9,718,052	($3,666)	$2,176,270	$0	$11,890,656

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	1,167,603		246,866		$1,414,469
Professional Services	1,115,437		205,505		$1,320,942
Planning, Survey, and Design					$0
Real Estate Purchases					$0
Acquisition Expense					$0
Operation of Acquired Property					$0
Relocation Costs					$0
Relocation Payments					$0
Site Clearance Costs					$0
Project Improvement / Construction Costs	5,327				$5,327
Disposal Costs					$0
Loss on Disposition of Land Held for Resale					$0

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					$0
Rehabilitation Costs	6,990				$6,990
Rehabilitation Grants					$0
Interest Expense	109,537	2,541,363	115		$2,651,015
Fixed Asset Acquisitions					$0
Subsidies to Low and Moderate Income Housing			1,918,453		$1,918,453
Debt Issuance Costs					$0
Other Expenditures Including Pass-Through Payment(s)	2,151,873				$2,151,873
Debt Principal Payments:					
Tax Allocation Bonds and Notes		1,400,000			$1,400,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					$0
City/County Advances and Loans	3,292,952				$3,292,952
All Other Long-Term Debt					$0
Total Expenditures	$7,849,719	$3,941,363	$2,370,939	$0	$14,162,021
Excess (Deficiency) Revenues over (under) Expenditures	$1,868,333	($3,945,029)	($194,669)	$0	($2,271,365)

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt					$0
Proceeds of Refunding Bonds					$0
Payment to Refunded Bond Escrow Agent					$0
Advances from City/County					$0
Sale of Fixed Assets					$0
Miscellaneous Financing Sources (Uses)	-10,469,758		-7,420,748		($17,890,506)
Operating Transfers In		3,940,675			$3,940,675
Tax Increment Transfers In					$0
Operating Transfers Out	3,940,675				$3,940,675
Tax Increment Transfers Out					$0
(To the Low and Moderate Income Housing Fund)					
Total Other Financing Sources (Uses)	($14,410.433)	$3,940.675	($7,420,748)	$0	($17,890,506)

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2011

Project Area Name Downtown Hayward Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	($12,542,100)	($4,354)	($7,615,417)	$0	($20,161,871)
Equity, Beginning of Period	$11,567,549	$4,009,382	$11,492,756	$0	$27,069,687
Prior Period Adjustments					$0
Residual Equity Transfers					$0
Equity, End of Period	($974,551)	$4,005,028	$3,877,339	$0	$6,907,816

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year 2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debits							
Cash and Imprest Cash	4,153,377						$4,153,377
Cash with Fiscal Agent	239,896	4,009,369					$4,249,265
Tax Increments Receivable							$0
Accounts Receivable	9,744						$9,744
Accrued Interest Receivable	6,913		823				$7,736
Loans Receivable	33,973,002						$33,973,002
Contracts Receivable							$0
Lease Payments Receivable							$0
Unearned Finance Charge							$0
Due from Capital Projects Fund			3,876,516				$3,876,516
Due from Debt Service Fund							$0
Due from Low/Moderate Income Housing Fund							$0
Due from Special Revenue/Other Funds							$0

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year 2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Investments							$0
Other Assets							$0
Investments: Land Held for Resale							$0
Allowance for Decline In Value of Land Held for Resale							$0
Fixed Assets: Land, Structures, and Improvements							$0
Equipment							$0
Amount Available In Debt Service Fund					57,959,843		$57,959,843
Amount to be Provided for Payment of Long-Term Debt							$0
Total Assets and Other Debits	$38,382,932	$4,009,369	$3,877,339	$0	$57,959,843	$0	$104,229,483

(Must Equal Total Liabilities, Other Credits, and Equities)

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year 2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits							
Accounts Payable	136,677	4,341					$141,018
Interest Payable							$0
Tax Anticipation Notes Payable							$0
Loans Payable							$0
Other Liabilities	35,344,290						$35,344,290
Due to Capital Projects Fund							$0
Due to Debt Service Fund							$0
Due to Low/Moderate Income Housing Fund	3,876,516						$3,876,516
Due to Special Revenue/Other Funds							$0
Tax Allocation Bonds Payable					50,170,000		$50,170,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds							$0
All Other Long-Term Debt					7,789,843		$7,789,843
Total Liabilities and Other Credits	$39,357,483	$4,341	$0	$0	$57,959,843		$97,321,667

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year 2011	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities							
Investment In General Fixed Assets							$0
Fund Balance Reserved		4,005,028	3,877,339				$7,882,367
Fund Balance Unreserved-Designated							$0
Fund Balance Unreserved-Undesignated	-974,551						($974.551)
Total Equities	($974,551)	$4,005,028	$3,877,339	$0		$0	$6.907,816
Total Liabilities, Other Credits, and Equities	$38,382,932	$4,009,369	$3,877,339	$0	$57,959,843	$0	$104,229.483

Redevelopment Agency Of The City Of Hayward

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary, Combined Transfers In/Out

Fiscal Year	2011	
Operating Transfers In		$3,940,675
Tax Increment Transfers In		$0
Operating Transfers Out		$3,940,675
Tax Increment Transfers Out		$0

PROJECT AREA REPORT FY 2011

In FY 2011, the Hayward Redevelopment Agency initiated or continued work on the following activities:

ORIGINAL DOWNTOWN AREA & 1987 ANNEX SUB-AREA

The Retail Attraction Program, which began in 2006, provides loans to property owners and businesses to attract targeted retailers and to fill persistent vacancies in downtown retail properties. In FY 2011, the Agency continued the work that was initiated in FY 2010 to refocus the program on the Foothill Boulevard Initiative, which has the goal of undertaking façade improvements to two significant block faces. After hiring an architectural firm in FY 2010, the firm, in conjunction with the affected property owners, completed designs and cost estimates for the work. In March 2011, the Agency executed twelve loan agreements with four property owners for a total Agency investment in the initiative of $1.108 million. The property owners will provide matching funds of $1.697 million to complete the improvements.

The Cinema Place entertainment complex, located at the heart of downtown Hayward, opened in October 2008. The development includes a two-story retail/entertainment complex featuring a 12-screen movie theatre operated by Century Theatres, 19,500 square feet of restaurant and retail space, and a 244-space public parking structure. In November 2010, a new sushi buffet restaurant opened, with an equipment loan provided by the City's Revolving Loan fund. The buffet has been very successful. The development was on ground-leased property owned by the Agency. In March 2011, the Agency Board adopted a resolution making required findings under Health and Safety Code Section 33430 to allow the conveyance of twenty parcels to the City, including the Cinema Place property. In May 2011, the Agency Board took action to assign the Ground Lease to the City, following conveyance of the property.

In September 2006, staff identified to the Agency Board that there were contaminated soil and groundwater issues associated with chlorinated solvents from historic on-site dry cleaning operations at the site of the Cinema Place project. Staff and an environmental consultant then worked to develop remediation methods, which the California Regional Water Quality Control Board (RWQCB) approved in late 2008. In December 2010, the consultant presented the results of a pilot remediation test and a final action plan. In March 2011 prior to the conveyance of the property to the City, the Agency Board approved a contract amendment with the consultant to complete the final remediation, which included the installation of zero-valent ion (ZVI) permeable filled borings (PEBs) to treat chlorinated volatile organic compound (COVC)-affected groundwater beneath Parcel 2 of the site. The installation of the borings was completed in the spring and the consultant will continue to monitor the remediation results and provide quarterly reports to the RWQCB.

During FY 2010, the Agency terminated negotiations with MIKA Realty Group for redevelopment of the City Center Campus with a new hotel and conference facility, multi-family housing to be built on a podium above the existing garage and rehabilitation of the existing office building. During FY 2011, the City completed demolition of the former Centennial Hall building. The City remains interested in redeveloping this property but Agency funding for the

project has been suspended due to recent reductions in tax increment revenues and State SERAF takeaways.

BURBANK/CANNERY SUB-AREA

The centerpiece development for this Sub-Area is the new Burbank Elementary School and expanded Cannery Park, which were completed in FY 2009. The two-story school contains 41 classrooms, music and science rooms, and a teaching garden. The school also features a multi-purpose room which serves as a cafeteria and a gymnasium, and is available to the Hayward Area Recreation District (HARD) for recreational basketball use during non-school hours. The City has also utilized this room for a variety of community meetings. The adjacent Cannery Park was expanded and connected to the school, and surrounding streets and parking were also installed. The park improvements include new restrooms, picnic facilities, distinctive climbing features, a water play area, skateboarding and basketball facilities, and two refurbished, night-lit baseball fields. In FY 2011, the Agency received case closure from the California Department of Toxic Substance Control for site environmental remediation. The new school, expanded park and infrastructure project was an eight-year, $40 million redevelopment effort.

The 3.9-acre Burbank Residual School site was transferred by the Hayward Unified School District to the Agency to help defray the cost of the new school. The Agency (and now the City as the property owner) intends to sell the site for residential development. In June 2010, the Agency approved entering into negotiations with Urban Dynamic, LLC for the development of this site. In June 2011, the City approved a Purchase and Sale Agreement with Urban Dynamic in the amount of $4 million and also approved the site entitlements to allow the construction of 57 single-family homes that incorporate "green" design features.

The residential developments at Cannery Place, south of the new Burbank School, continue to move forward following the sale of several tracts in the development to Taylor Morrison Homes and KB Homes in FY 2010. The City issued building permits in FY 2011 for many of the units in the final phases of this development, which now includes 623 units total.

FOOTHILL/MISSION SUB-AREA

FY 2011 saw significant progress on two major Agency-funded planning projectsaffecting this Sub-Area. The South Hayward BART/Mission Boulevard Form-Based Code Project encompasses the area extending along Mission Boulevard from Harder Road to Industrial Boulevard. The purpose of this planning effort is to refine the vision set forth in the 2006 Concept Plan for the area surrounding the South Hayward BART Station with zoning regulations, subdivision standards, and design standards. Staff finalized preparations for a September 2011 Council adoption of the Form-Based Code.

The Mission Corridor Specific Plan continues the planning process along the Mission Boulevard corridor, from Harder Road to Jackson Street, and from A Street north to the City boundaries. This plan excludes Mission Boulevard within the Downtown Area. The goals for this Plan also include development of a form-based code, promotion of pedestrian-friendly urban design, and a

revitalization strategy to address distressed commercial properties, particularly older auto-oriented uses. This plan is scheduled for adoption by Council in FY 2012.

The proposed South Hayward BART Station transit-oriented development (TOD) by Wittek and Montana originally consisted of a major housing and retail development, plus BART replacement parking and circulation improvements. The project originally included 777 total units of housing, including 206 affordable apartments to be developed by Eden Housing, with another 230 units of market-rate apartments and 341 condominium units. The total cost of the project was estimated at approximately $290 million. The project was entitled by the City in FY 2009, and in June 2009, the project was awarded State Proposition 1C funding in the amount of $47 million, consisting of $17 million for the affordable housing and $30 million for public improvements. As part of the application process, the Agency conditionally committed to provide local match funds of up to $19.8 million, including $12.7 million for public improvements and $7.1 million for affordable housing from the Low and Moderate Income Housing Fund.

Due to economic conditions and lack of availability of Agency funds to support the development, the developers submitted a re-phasing plan for the project in February 2011. Staff approved a minor modification to the Planned District Zoning in March 2011. Phase I of the project will include approximately 200 market rate units, 87 affordable family units, and 64 affordable senior units. The project will still be able to leverage $32 million from the State Proposition 1C funding. In support of the affordable housing component of the project, the Council approved loans in June 2011 totaling $7.1 million to Eden Housing from a combination of Low-Mod Housing and Federal funds. In addition, the Agency approved an appropriation of $450,000 in local matching funds in spring 2011 for a Transportation for Livable Communities (TLC) grant application to fund additional public infrastructure improvements associated with the project.

AFFORDABLE HOUSING

In July 2010, Citation Homes transferred, at no cost, an approximately one-acre parcel located at B & Grand Streets to the Agency, in fulfillment of the developer's inclusionary housing requirements related to the Cannery Place development. As part of the acquisition, staff obtained a Phase I environmental report and worked with Citation Homes and the Regional Water Quality Control Board regarding the need for final confirmation site testing prior to development. The Agency negotiated with Eden Housing to develop an approximately 22-unit addition to the adjacent C & Grand Senior Housing development. In May 2011, the Council approved the entitlements for the project along with a Disposition and Development Agreement with Eden Housing. Given the funding challenges with the South Hayward BART project, the Agency reallocated funding originally programmed for the B & Grand project to the South Hayward BART affordable housing development. This project is on hold until the developer secures alternate financing.

As mentioned above, the City approved loans in June 2011 totaling $7.1 million to Eden Housing from a combination of Low-Mod Housing and Federal funds to develop 151 units of affordable family and senior housing as part of the South Hayward BART transit-oriented

development. Approximately $17 million of the State Proposition 1C funding will specifically support the affordable housing development in this project.

In June 2009, the Agency purchased a 32,015 square foot vacant site on the corner of A and Walnut Street along the northern edge of the Burbank/Cannery Area. This surplus site was purchased from the City of Hayward for $707,000 with Low and Moderate Income Housing funds in anticipation of future affordable housing development. The City received a proposal from Habitat for Humanity in FY 2011 to develop the site with ten units of for-sale housing affordable to low income families. Staff is working to negotiate a Disposition and Development Agreement with Habitat, which will likely be approved in FY 2012.

Twenty-four loans, amounting to a total of $750,000, were made under the First Time Homebuyer program in FY 2011. This program is funded by the Low and Moderate Income Housing Fund and staff works with a contract service provider, Bay Area Homebuyer Agency (BAHBA), to administer the program. Two additional $30,000 down payment assistance loans were provided to households participating in the Opportunity to Purchase a Home Program (OPHP) implemented as part of the SR238 Settlement Implementation Project.

Finally, the City continued to partner with Habitat for Humanity to acquire and rehabilitate foreclosed homes in the City utilizing the City's $1.5 million Federal Neighborhood Stabilization Program I (NSP I) funds received through the State Department of Housing and Community Development. During FY 2011, rehabilitation was completed on four (4) homes that were later sold to low and moderate income families. As a member of the Alameda County Neighborhood Stabilization Program II (NSP II) Consortium, the City received an additional $1.5 million, which the City decided to use to supplement the NSP I Program. Utilizing this additional funding, the City sold three (3) additional homes during FY 2011. Upon conclusion of the NSP I and NSP II Programs (anticipated during FY 2012), the City will be able to acquire, rehabilitate and sell up to 20 foreclosed or otherwise blighted homes to low and moderate-income households.

AGENCY'S PROGRESS IN ALLEVIATING BLIGHT
(Pursuant to H&S Code 33080.1 (d), (e) and (f))

The Agency continued to make progress in alleviating blight in several specific ways:

- The Agency's Foothill Façade Initiative will rehabilitate the façades of twelve storefronts along a major City arterial, thereby assisting property owners in making investments necessary to attract tenants to vacant retail spaces.
- The City and Agency have worked to enforce security and maintenance of the vacant office building at City Center and completed demolition of Centennial Hall in FY 2011, which stood vacant and attracted a variety of nuisances.
- Ongoing environmental remediation at Cinema Place and at the Cannery Park site have enabled the redevelopment of these areas. The Burbank Residual School site property will also undergo remediation activities.
- The approvals of the 57-unit single family residential development at the Burbank Residual School site and the 22-unit affordable senior housing development at the B &

Grand site will facilitate development of these currently vacant lots adding to the vitality and attractiveness of the surrounding neighborhood.

- Blight reducing activities associated with City-wide affordable housing production and preservation include the 7 foreclosed homes purchased and rehabilitated in FY 2011 with Federal NSP funds and the approval of loans totaling $7.1 million to support the South Hayward BART affordable transit-oriented development (151 senior and family units), which will be constructed on the site of a vacant former auto body shop.

STATUS OF AGENCY LOANS
(Pursuant to H&S 33080.1 (d), (e) and (f))

The Agency is not in default on any loans, nor is it out of compliance with respect to any of its existing debt.

TIME LIMITS FOR INITIATING EMINENT DOMAIN PROCEEDINGS
(Pursuant to H&S 33080.1)

The time limit for commencement of eminent domain proceedings to acquire property is set to expire on June 26, 2013 and is effective only for the Mission/Foothill sub-area. The time limit for commencement of eminent domain proceedings to acquire property in all other subareas expired November 10, 2010. The Agency currently has no plans to commence eminent domain proceedings.

INVENTORY OF AGENCY-OWNED PROPERTIES

The Agency no longer holds title to any properties. In March 2011, the Agency Board adopted a resolution making required findings under Health and Safety Code Section 33430 to allow the conveyance of all Agency-held land to the City(twenty parcels).

APPENDIX C

DESCRIPTION OF AGENCY'S ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

Redevelopment Agency of the City of Hayward
December 2011

California Redevelopment Agencies - Fiscal Year 2010/2011
Status of Low and Moderate Income Housing Funds
Sch C Agency Financial Summary
HAYWARD

Adjusted Beginning Balance	Project Area Receipts	Agency Other Revenue	Total Expenses	Net Resources Available	Other Housing Fund Assets	Total Housing Fund Assets	Encum-brances	* Unen-cumbered Balance	Unen-cumbered Designated	Unen-cumbered Not Dsgntd
$11,492,756	$2,176,270	$0	$10,246,829	$3,422,197	$3,877,339	$7,299,536	$0	$3,422,197	$0	$3,422,197

Expenses	Debt Service	Housing Construction	Planning and Administration Costs	SERAF loan	Subsidies	Transfers Out of Agency	Total
2010/2011	$115	$338,624	$452,371	$455,142	$1,579,829	$7,420,748	$10,246,829

*The Unencumbered Balance is equal to Net Resources Available minus Encumbrances

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

		Beginning Balance	***$11,492,756***
		Adjustment to Beginning Balance	***$0***
		Adjusted Beginning Balance	***$11,492,756***
Total Tax Increment From PA(s)	***$2,070,211***	***Total Receipts from PA(s)***	***$2,176,270***
		Other Revenues not reported on Schedule A	***$0***
		Sum of Beginning Balance and Revenues	***$13,669,026***

Expenditure

Item	***Subitem***	***Amount***	***Remark***
Debt Service			
Interest Expense		$115	
	Subtotal of Debt Service	***$115***	
Housing Construction			
		$338,624	
	Subtotal of Housing Construction	***$338,624***	
Planning and Administration Costs			
Administration Costs		$246,866	
Professional Services		$205,505	
	Subtotal of Planning and Administration Costs	***$452,371***	
SERAF loan			
		$455,142	
	Subtotal of SERAF loan	***$455,142***	
Subsidies from the LMIHF			
Other		$1,579,829	Grants and Loans to City of Hayward Housing Authority to carry out affordable

Expenditure Item	Subitem	Amount	Remark
Subsidies from the LMIHF			
			housing activities
	Subtotal of Subsidies from the LMIHF	**$1,579,829**	
Transfers Out of Agency			
Other		$7,420,748	Transfer of Assets to City of Hayward Housing Authority to carry out affordable housing activities
	Subtotal of Transfers Out of Agency	**$7,420,748**	
	Total Expenditures	**$10,246,829**	

Net Resources Available	**$3,422,197**
Indebtedness For Setasides Deferred	**$0**

Other Housing Fund Assets Category	Amount	Remark
SERAF Total Receivable	**$3,876,516**	
Other	**$823**	**Accrued Interest Receivable**
Total Other Housing Fund Assets	**$3,877,339**	

Total Fund Equity	**$7,299,536**

2006/2007	**$2293128**			
2007/2008	**$2416597**	**sum of 4 Previous Years' Tax Increment for 2010/2011**	**Prior Year Ending Unencumbered Balance**	**Excess Surplus for 2010/2011**
2008/2009	**$2526043**			
2009/2010	**$2036131**	**$9271899**	**$8,034,965**	**$0**

Sum of Current and 3 Previous Years' Tax Increments	**$9,048,982**
Adjusted Balance	**$3,422,197**
Excess Surplus for next year	**$0**
Net Resources Available	**$3,422,197**

Unencumbered Designated	$0
Unencumbered Undesignated	$3,422,197
Total Encumbrances	$0
Unencumbered Balance	$3,422,197
Unencumbered Balance Adjusted for Debt Proceeds	$0
Unencumbered Balance Adjusted for Land Sales	$0
Excess Surplus Expenditure Plan	No
Excess Surplus Plan Adoption Date	

Site Improvement Activities Benefiting Households

Income Level	Low	Very Low	Moderate	Total

Land Held for Future Development

Site Name	Num Of Acres	Zoning	Purchase Date	Estimated Start Date	Remark

Use of the Housing Fund to Assist Mortgagors

Income Adjustment Factors

Requirements Completed

Home $

Hope $

Non Housing Redevelopment Funds Usage

Resource Needs

LMIHF Deposits/Withdrawls

Document Name	Document Date	Custodian Name	Custodian Phone	Copy Source

Achievements

Description

California Redevelopment Agencies-Fiscal Year 2010/2011
Project Area Contributions to Low and Moderate Income Housing Funds
Sch A Project Area Summary Report
HAYWARD

Project Area	100% of Tax Increment	20% Set Aside Requirement	Tax Increment Allocated	Amount Exempted	Amount Suspended and/or Deferred	Tax Incr. Deposited to Hsng Fund	Percent of Tax Incr Dep	Repayment Deferrals	Other Income	Total Deposited to Housing
DOWNTOWN HAYWARD PROJECT	$10,351,054	$2,070,211	$2,070,211	$0	$0	$2,070,211	20.00%	$0	$106,059	$2,176,270
Agency Totals:	$10,351,054	$2,070,211	$2,070,211	$0	$0	$2,070,211	20.00%	$0	$106,059	$2,176,270

Note: Print this report in Landscape Orientation (Use the Print Icon just above, then Properties then Landscape)

California Redevelopment Agencies- Fiscal Year 2010/2011
Project Area Contributions to Low and Moderate Income Housing Fund
Sch A Project Area Financial Information

Agency	HAYWARD		
Address	777 B Street		
	Hayward	CA	94541

Project Area DOWNTOWN HAYWARD PROJECT

Type: Inside Project Area Status: Active

Plan Adoption: 1975 Plan Expiration Year: 2047

Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Suspended and/or Deferred	Total Deposited	%	Cumulative Def.
$10,351,054	$2,070,211	$2,070,211	$0	$0	$2,070,211	20.00%	$0

Repayment	$0
Category	
Interest Income	$61,208
Other Revenue1	$44,851
Total Additional Revenue	$106,059
Total Housing Fund Deposits for Project Area	$2,176,270

Agency Totals For All Project Areas:

Gross Tax Increment	Calculated Deposit	Amount Allocated	Amount Exempted	Amount Suspended and/or Deferred	Total Deposited	%	Cumulative Def.
$10,351,054	$2,070,210.8	$2,070,211	$0	$0	$2,070,211	20%	$0

Total Additional Revenue from Project Areas:	$106,059
Total Deferral Repayments:	$0
Total Deposit to Housing Fund from Project Areas:	$2,176,270

Project Area: **DOWNTOWN HAYWARD PROJECT**

FUTURE UNIT CONSTRUCTION

Contract Name	Execution Date	Estimated Completion Date	Very Low	Low	Moderate	Total
South Hayward BART Project	07/16/10	10/01/13	91	59	1	151

Project Area Name: **OUTSIDE PROJECT AREA**

Project Name: **First Time Homebuyer Program**
Address: ***777 B Street Hayward 94541***

PROJECT FUNDING SOURCE

Funding Source	Amount
Redevelopment Funds	$750,000
Federal Funds	$90,000
State Funds	$65,250
Private Funds	$6,360,669
Owner Equity	$701,932

Project Name: **Inclusionary Housing Program**
Address: ***777 b street hayward 94541***
Owner Name: ***City of Hayward***

UNIT INVENTORY

Inclusionary		Unit	Very Low	Low	Moderate	Above Mod	Became Ineligible	Total
New Construction								
Non-Agency	Owner	Non-Elderly	0	0	9	0	0	9
		Unit Total	0	0	9	0	0	9

Project Name: **Route 238 Opportunity to Purchase Home Program**
Address: ***777 B Street Hayward 94541***

PROJECT FUNDING SOURCE

Funding Source	Amount
Redevelopment Funds	$60,000
State Funds	$12,000
Private Funds	$669,000
Owner Equity	$59,000

SCHEDULE HCD E
CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION FOR ACTIVITIES
(This Form is Information Only: Actual Obligation is based on Implementation Plan)

Report Year: 2010/2011

Agency: HAYWARD

NOTE: This form is a summary of the totals of all new construction or substantial rehabilitation units from forms HCD-D7 which are developed in a project area by any entity (agency or non-agency).

PART I [H & SC Section 33413(b)(1)] **AGENCY DEVELOPED**	
1. New Units	**0**
2. Substantially Rehabilitated Units	**0**
3. Subtotal - Baseline of Units (add line 1 & 2)	**0**
4. Subtotal of Inclusionary Obligation Accrued this Year for Units (line 3 x 30%)	**0**
5. Subtotal of Inclusionary Obligation Accrued this year for Very-Low Income Units (line 4 x 50%)	**0**
PART II [H & SC Section 33413(b)(2)] **NON-AGENCY DEVELOPED UNITS**	
6. New Units	**96**
7. Substantially Rehabilitated Units	**0**
8. Subtotal - Baseline of Units (add lines 6 & 7)	**96**
9. Subtotal of Inclusionary Obligation Accrued this year for Units (line 8 x 15%)	**15**
10. Subtotal of Inclusionary Obligation Accrued this year for Very Low Income Units (line 9 x 40%)	**6**
PART III TOTALS	
11. Total Increase in Inclusionary Obligations During This Fiscal Year (add line 4 & 9)	**15**
12. Total Increase in Very Low Income Units Inclusionary Obligations During This Fiscal Year (add line 5 & 10)	**6**

California Redevelopment Agencies - Fiscal Year 2010/2011
Schedule E (11/01)
*Totals may be impacted by rounding

12/16/2011

APPENDIX D

STATEMENT OF INDEBTEDNESS FOR TAX YEAR 2011

Redevelopment Agency of the City of Hayward
December 2011

Cover Page

STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2011-2012 TAX YEAR

Name of Redevelopment Agency Hayward Redevelopment Agency

Name of Project Area Downtown Hayward Redevelopment Project Area

Balances Carried Forward From:		Line	Current: Total Outstanding Debt	Current: Principal/Interest Due During Tax Year
Fiscal Period - Totals	(From Form A, Page 1 Totals)	(1)	$ 329,448,123.00	$ 18,710,261.00
(Optional) **Post Fiscal Period - Totals**	(From Form B Totals)	(2)	$ 56,355,772.00	$ 4,040,772.00
Grand Totals		(3)	$ 385,803,895.00	$ 22,751,033.00
Available Revenues From Calculation of Available Revenues, Line 7		(4)	$ 6,490,534.00	
Net Requirement		(5)	$ 379,313,361.00	

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:
Pursuant to Section 336775 (b) of the Health and Safety Code, I hereby certify that the above is a true and accurate Statement of Indebtedness for the above named agency.

Name: [illegible] — Title: **Director of Finance**

Signature: [illegible] — Date: 9/30/11

Rev 7/6/2000

STATEMENT OF INDEBTEDNESS - POST FISCAL YEAR INDEBTEDNESS ONLY
FILED FOR THE 2011-2012 TAX YEAR

To be used only if the agency wishes to include indebtedness entered into after June 30

Form B
(Optional)

Name of Redevelopment Agency Hayward Redevelopment Agency

Name of Project Area Downtown Hayward Redevelopment Project Area

For Indebtedness Entered into post June 30, 2011 , **as of September 30, 2011**

Debt Identification	Original Data					Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
(A) Transfer Payment Agreement with the City of Hayward	9-29-2011	56,355,772.00	Until 6-30-2047	N/A	N/A	56,355,772.00	4,040,772.00
(B)							
(C)							
(D)							
(E)							
(F)							
(G)							
(H)							
(I)							
(J)							
(K)							
(L)							
TOTALS POST FISCAL YEAR INDEBTEDNESS						$ 56,355,772.00	$ 4,040,772.00

Purpose of Indebtedness:

(A) To make remittance payments to the State of CA under ABx1 27.

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

(J)

(K)

(L)

STATEMENT OF INDEBTEDNESS
FILED FOR THE 2011-2012 TAX YEAR

Name of Redevelopment Agency **Hayward Redevelopment Agency**

Name of Project Area **Downtown Hayward Redevelopment Project Area**

For Indebtedness Entered into as of June 30, 2011

Debt Identification	Original Data					Total Outstanding Debt	Principal/Interest Due During Tax Year
	Date	Principal	Term	Interest Rate	Total Interest		
(A) 20% Low & Mod Income Housing Set Aside Required by H & S Code	As of 06-30-2010	Based on O/S Debt	Until Paid	N/A	N/A	98,242,000.00	2,036,839.00
(B) 2004 RDA Tax Allocation Bonds	05-20-2004	44,790,000.00	03-01-2027	3% - 5.23%	35,677,904.00	59,416,048.00	3,369,682.00
(C) Advance from City of Hayward Water Enterprise Fund Loan	06-01-1990	5,946,333.00	06-01-2015	7.506%	N/A	-	-
(D) Advance from City of Hayward Sewer Fund Loan	06-30-2003	2,350,000.00	03-31-2014	2.25% - 3%	379,567.00	-	-
(E) Repayment Agreement with City of Hayward	07-30-2000	14,386,217.00	06-30-2022	Market Avg 2%	1,576,960.00	7,789,843.00	800,000.00
(F) Due to Other Governments - Pass Through Obligations	As of 06-30-2010	Based on Fiscal Year End	6-30-2047	N/A	N/A	102,199,000.00	1,446,042.00
(G) 2006 RDA Tax Allocation Bonds	06-02-2006	11,800,000.00	03-01-2036	4.797%	13,273,218.00	22,445,874.00	639,340.00
(H) Payables From Operations - Tax Year	As of 06-30-2011	Based on Fiscal Year End	1 Year	N/A	N/A	4,370,842.00	4,370,842.00
(I) Advance From RDA Low Moderate Fund - AB264x Supplemental ERAF	05-10-2010	3,876,516.00	06-30-2015	N/A	N/A	3,876,516.00	3,876,516.00
(J) Cooperation & Funding Agreement with City of Hayward	03-11-2011	30,000,000.00	Until 6-30-2047	N/A	N/A	30,000,000.00	1,063,000.00
Sub Total, This Page						$ 328,340,123.00	$ 17,602,261.00
Totals Forward From All Other Pages						$ 1,108,000.00	$ 1,108,000.00
Grand Totals						$ 329,448,123.00	$ 18,710,261.00
Available Revenues From Calculation of Available Revenues						$ (6,490,534.00)	
Net Requirement						$ 322,957,589.00	

Purpose of Indebtedness:

(A) Low & Mod Income Housing Set-Aside pursuant to H&S Sec. 3334.2

(B) Finance various redevelopment projects

(C) Finance various redevelopment projects

(D) Downtown sidewalk & streetscape project - phase II

(E) Redevelopment project costs advanced by the City of Hayward

(F) Accrued liability to other governmental agencies for pass through obligations

(G) Finance various redevelopment projects

(H) Tax year operating requirements

(I) Accrued liability to Low & Mod Fund for SERAF payment

(J) Finance various redevelopment projects

STATEMENT OF INDEBTEDNESS
FILED FOR THE 2011-2012 TAX YEAR

Name of Redevelopment Agency: Hayward Redevelopment Agency
Name of Project Area: Downtown Hayward Redevelopment Project Area

For Indebtedness Entered into as of June 30, 2011

Debt Identification	Original Data					Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
(A) Foothill Façade Improvement Loans	March 2011	1,108,000.00	Until paid	N/A	N/A	1,108,000.00	1,108,000.00
(B)							
(C)							
(D)							
(E)							
(F)							
(G)							
(H)							
(I)							
(J)							
(K)							
(L)							
Total This Page						$ 1,108,000.00	$ 1,108,000.00

Purpose of Indebtedness:

(A) Loans to property owners for Improvements to facades of buildings along Foothill Blvd

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

(J)

(K)

(L)

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: Hayward Redevelopment Agency

Name of Project Area: Downtown Hayward Redevelopment Project Area

Tax Year 2011-2012

Reconciliation Dates: From July 1, 2010 To June 30, 2011

Debt Identification: SOI, page and line: Prior Yr	Current Yr	Brief Description	A Outstanding Debt All Beginning Indebtedness	B Adjustments Increases (Attach Explanation)	C Adjustments Decreases (Attach Explanation)	D Amounts Paid Against Indebtedness, from: Tax Increment	E Other Funds	F Remaining Balance (A+B-C-D-E)
Pg 1 Line A	Pg 1 Line A	20% Low & Mod Income Housing Set Aside Required by H & S Code	25,865,977.00	72,376,023.00	$ -	$ -		98,242,000.00
Pg 1 Line B	Pg 1 Line B	2004 RDA Tax Allocation Bonds	62,788,730.00	-	$ -	3,372,682.00		59,416,048.00
Pg 1 Line C	Pg 1 Line C	Advance from City of Hayward Water Enterprise Fund Loan	1,041,075.00	-	$ -	1,041,075.00		
Pg 1 Line D	Pg 1 Line D	Advance from City of Hayward Sewer Fund Loan	831,877.00	-	$ -	831,877.00		
Pg 1 Line E	Pg 1 Line E	Repayment Agreement with City of Hayward	9,144,570.00	65,273.00	$ -	1,420,000.00		7,789,843.00
Pg 1 Line F	Pg 1 Line F	Due to Other Governments - Pass Through Obligations	1,351,191.00	102,199,000.00	$ -	1,351,191.00		102,199,000.00
Pg 1 Line G	Pg 1 Line G	2006 RDA Tax Allocation Bonds	23,005,214.00	-	$ -	559,340.00		22,445,874.00
Pg 1 Line H	Pg 1 Line H	Payables From Operations - Tax Year	1,879,877.00	2,490,965.00	$ -			4,370,842.00
Pg 1 Line I	Pg 1 Line I	Advance From RDA Low Moderate Fund - AB264x Supplemental ERAF	3,421,374.00	455,142.00	$ -			3,876,516.00
TOTAL - THIS PAGE			$ 129,329,885.00	$ 177,131,261.00		$ 8,576,165.00		$ 298,340,123.00
TOTALS FORWARD				$ 31,108,000.00			$ -	$ 31,108,000.00
GRAND TOTALS			$ 129,329,885.00	$ 208,239,261.00	$ -	$ 8,576,165.00	$ -	$ 329,448,123.00

NOTE: Column A must equal the previous year Statement of Indebtedness Outstanding Debt. Column F must equal this year's SOI Outstanding Debt column. Use the page and line number that the indebtedness is listed on in each year as appropriate, and a brief description. Ignore any indebtedness fully repaid in the previous year, as it had a zero ending balance. All new indebtedness entered into since the previous SOI is to be listed below the previous indebtedness. Enter "new" in the "Prior Yr" page and line column for each new indebtedness.

Rev. 5/2/94

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: Hayward Redevelopment Agency

Name of Project Area: Downtown Hayward Redevelopment Project Area

Tax Year 2011-2012

Reconciliation Dates: From July 1, 2010 To June 30, 2011

Debt Identification: SOI, page and line: Prior Yr	Current Yr	Brief Description	A Outstanding Debt All Beginning Indebtedness	B Adjustments Increases (Attach Explanation)	C Adjustments Decreases (Attach Explanation)	D Amounts Paid Against Indebtedness, from: Tax Increment	E Amounts Paid Against Indebtedness, from: Other Funds	F Remaining Balance (A+B-C-D-E)
Pg 2 Line A	Pg 2 Line A	Cooperation & Funding Agreement With City of Hayward	-	30,000,000.00		-	-	30,000,000.00
Pg 2 Line B	Pg 2 Line B	Foothill Façade Improvement Loans	-	1,108,000.00		-	-	1,108,000.00
Pg 2 Line C	Pg 2 Line C							-
Pg 2 Line D	Pg 2 Line D							-
Pg 2 Line E	Pg 2 Line E							-
Pg 2 Line F	Pg 2 Line F							-
Pg 2 Line G	Pg 2 Line G							-
Pg 2 Line H	Pg 2 Line H							-
Pg 2 Line I	Pg 2 Line I							-
Pg 2 Line J	Pg 2 Line J							-
Pg 2 Line K	Pg 2 Line K							-
Pg 2 Line L	Pg 2 Line L							-
TOTAL - THIS PAGE			$ -	$ 31,108,000.00	$ -	$ -	$ -	$ 31,108,000.00

NOTE: Column A must equal the previous year Statement of Indebtedness Outstanding Debt. Column F must equal this year's SOI Outstanding Debt Column.

CALCULATION OF AVAILABLE REVENUES

AGENCY NAME **Hayward Redevelopment Agency**

PROJECT AREA **Downtown Hayward Redevelopment Project Area**

TAX YEAR 2011-2012

RECONCILIATION DATES: JULY 1, 2010 TO JUNE 30, 2011

1.	Beginning Balance, Available Revenues (See Instructions) Adjustments made after previous SOI filed.	$ 4,009,381.00
2.	Tax Increment Received - Gross All Tax Increment Revenues, to including any Tax Increment passed through to other local taxing agencies	$ 11,056,869.00
3.	All other Available Revenues Received (See Instructions)	$ 449.00
4.	Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1 - 3) above	$ -
5.	Sum of Lines 1 through 4	$ 15,066,699.00
6.	Total amounts paid against indebtedness in previous year. (D + E on Reconciliation Statement)	$ 8,576,165.00
7.	Available Revenues, End of Year (5 - 6)	$ 6,490,534.00

FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefor omitted from Available Revenues at year end.

Item 4. above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues".

Rev (5/2/94)

Reconciliation Statement - Description of Adjustments

Agency: **Hayward Redevelopment Agency**
Project Area: **Downtown Hayward Redevelopment Project Area**

Reconciliation Sheet page and line:	Description of Adjustment	Amount
Pg 1 Line A	Increase for all future 20% obligation until the end of the Agency's Life based on projected tax increment receipts	$ 98,242,000
Pg 1 Line C	Paid off obligation	$ 1,041,075
Pg 1 Line D	Paid off obligation	$ 831,877
Pg 1 Line E	Increase in accrured interest	$ 65,273
Pg 1 Line F	Increase for all future Pass through Obligation until the end of the Agency's Life based on projected tax increment receipts	$ 102,199,000
Pg 1 Line H	Payables reflect annual budget	$ 4,370,842
Pg 1 Line I	Advance From RDA Low Moderate Fund - AB264x Supplemental ERAF	$ 455,142
Pg 2 Line A	New Agreement entered into on March 11, 2011	$ 30,000,000
Pg 2 Line B	New Agreements entered into March 2011	$ 1,108,000
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
Pg Line		
	Grand Total	$ 238,313,209.00