



CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL AGENDA
APRIL 21, 2015

MAYOR BARBARA HALLIDAY
MAYOR PRO TEMPORE GREG JONES
COUNCIL MEMBER FRANCISCO ZERMEÑO
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER AL MENDALL
COUNCIL MEMBER SARA LAMNIN
COUNCIL MEMBER ELISA MÁRQUEZ

Table of Contents

Agenda	2
Approval of Minutes of the City Council Meeting on April 7, 2015	
Draft Minutes	6
Approval of FY 2016 Community Agency Funding Recommendations (including Community Development Block Grant (CDBG), Social Services, and Arts/Music); and Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019 (Report from Library and Community Services Director Reinhart)	
Staff Report	13
Attachment I - Resolution	27
Attachment II - Resolution.	28
Attachment III - Community Agency Funding Recommendations	29
Attachment IV - Application Summaries.	31
Attachment V - Public Comments.	68
Attachment VI - South Hayward Parish South Hayward Parish FY 2016 Application and FY 2014 and FY 2015 Signed Contract Budgets	74
Resolution of Intention to Create Proposed Community Facilities District (CFD No. 3) Intended to Finance Police and Fire Protection Services in the South Hayward BART Area; Resolution of Intention to Annex Identified Properties Into the Existing Community Facilities District No.2 in the Cannery Place Area; and Introduction of Ordinance Levying Special Tax Within the Existing Community Facilities District No. 2 in the Cannery Place Area (Report from Finance Director Vesely)	
Staff Report	81
Attachment I	87
Attachment I Exhibit B.	93
Attachment II	99
Attachment III	100
Attachment IV.	103
Attachment V	106
Attachment VI.	121



CITY COUNCIL MEETING FOR APRIL 21, 2015
777 B STREET, HAYWARD, CA 94541
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CLOSED SESSION
Closed Session Room 2B – 5:00 PM

1. PUBLIC COMMENTS

2. Conference with Labor Negotiators

Pursuant to Government Code 54957.6

- Lead Negotiators: City Manager David; City Attorney Lawson; Assistant City Manager McAdoo; Finance Director Vesely; Public Works-Engineering & Transportation Director Fakhrai; Human Resources Director Collins; Senior Human Resources Analyst Lopez; Assistant City Attorney Vashi; Community and Media Relations Officer Holland; Jack Hughes, Liebert Cassidy Whitmore
Under Negotiation: All Groups

3. Conference with Legal Counsel

Pursuant to Government Code 54956.9

- Pending Litigation
 - Sangco/City of Hayward, WCAB No. ADJ92273758
 - Torres/City of Hayward, WCAB No. ADJ8524589
 - Henderson/City of Hayward ADJ9064349, ADJ9064350, ADJ9075329

4. Adjourn to City Council meeting

CITY COUNCIL MEETING
Council Chambers – 7:00 PM

CALL TO ORDER Pledge of Allegiance Mayor Halliday

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PRESENTATION

- Environmental Awards Presentation

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 Information 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 any time 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 City Council Meeting on April 7, 2015

[Draft Minutes](#)

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

2. Approval of FY 2016 Community Agency Funding Recommendations (including Community Development Block Grant (CDBG), Social Services, and Arts/Music); and Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019 (Report from Library and Community Services Director Reinhart)

[Staff Report](#)

[Attachment I - Resolution](#)

[Attachment II - Resolution](#)

[Attachment III - Community Agency Funding Recommendations](#)

[Attachment IV - Application Summaries](#)

April 21, 2015



[Attachment V - Public Comments](#)

[Attachment VI - South Hayward Parish South Hayward Parish FY 2016 Application and FY 2014 and FY 2015 Signed Contract Budgets](#)

LEGISLATIVE BUSINESS

3. Resolution of Intention to Create Proposed Community Facilities District (CFD No. 3) Intended to Finance Police and Fire Protection Services in the South Hayward BART Area; Resolution of Intention to Annex Identified Properties Into the Existing Community Facilities District No.2 in the Cannery Place Area; and Introduction of Ordinance Levying Special Tax Within the Existing Community Facilities District No. 2 in the Cannery Place Area (Report from Finance Director Vesely)

[Staff Report](#)

[Attachment I](#)

[Attachment I Exhibit B](#)

[Attachment II](#)

[Attachment III](#)

[Attachment IV](#)

[Attachment V](#)

[Attachment VI](#)

Information items are presented as general information for Council and the public. Should Council wish to take action on any of the "information" items, they will direct the City Manager to bring them back on a future Council agenda as an Action Item.

INFORMATION ITEMS

None

CITY MANAGER'S COMMENTS

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

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

NEXT REGULAR MEETING – 7:00 PM, Tuesday, April 28, 2015

April 21, 2015



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 before speaking and are expected to honor the allotted time. Speaker Cards are 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 CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, April 7, 2015, 7:00 p.m.**

The City Council meeting was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council Member Mendall.

ROLL CALL

Present: COUNCIL MEMBERS Zermeño, Mendall, Jones, Peixoto, Lamnin,
Márquez
MAYOR Halliday
Absent: None

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced that the Council met in closed session regarding three items: (1) conference with labor negotiators pursuant to Government Code 54957.6 regarding all groups; (2) conference with legal counsel pursuant to Government Code 54956.9 regarding pending litigation of four cases (a) City of Hayward v. Ruben Paul Dorris, et al., Alameda County Superior Court No.: HG13692330, (b) C.E.W., et. al. v. City of Hayward, et. al., United States District Court, Case No. CV 13-4516 (LB); (c) City of Hayward v. Depot Road LLC et. al., Alameda County Superior Court Case No. HG13692328; (d) City of Hayward v. Rabani et. al., Alameda County Superior Court Case No. HG13692337; and (3) conference with property negotiators pursuant to Government Code 54956.8 regarding the 9/11 Memorial. There was no reportable action regarding items (1), (2)(b) or (3). Regarding Item (2) (a), (c) and (d), the Council unanimously approved with Council Member Mendall moving and Council Member Zermeño seconding the compromising settlement of the three cases.

PRESENTATION

Mayor Halliday read a presentation proclaiming April 7, 2015 as The Mayor's Day of Recognition for National Service and the week April 12 to 18, 2015, as National Volunteer Week. Mayor Halliday presented the proclamation to Volunteer Coordinator, Zach Ebadi. The following City volunteer programs were recognized: Neighborhood Services; City Hall Volunteers; Hayward Fire Department (R.A.C.E.S., Community Emergency Response Team); Hayward Police Department (Explorers Program, Block Captains and VIP's); Hayward Animal Shelter; and Hayward Library (Friends of the Library, Literacy Plus, and Homework Support Center).

PUBLIC COMMENTS

Ms. Betty DeForest, Member of the Board of Directors of South Hayward Parish, noted that it was difficult to raise funds to pay for operational costs other than consumables such as a fiscal audit for the program, and fuel and transportation for delivery of food.

Ms. Sue Merrill, Executive Director of South Hayward Parish, appreciated that South Hayward Parish was awarded funding through its Alameda County Community Food Bank Food Scholarship and requested funding for non-consumable operations related to the food program.

Mr. Kim Huggett, Hayward Chamber of Commerce President, announced the Downtown Hayward BIKE Rodeo and Cyclepath Vintage BMX Show and Street Jam event on May 16, 2015, at B Street and Main Street.

Mr. Benjamin Goulart, Hayward resident, pointed out that the report by the Dutra Cerro Graden was similar to the “Envision Downtown Hayward 2014” presentation by Cal Poly State University students and inquired about the cost associated with the Dutra Cerro Graden report.

Ms. Anna May, Hayward resident, made two announcements: An Art Reception in honor of Mt. Eden High School artist students on April 18, 2015; and the 3rd Asian American Heritage Festival on May 30, 2015, at Hayward City Hall Plaza.

The following Community Services Commission members spoke on behalf of the Community Services Commission and urged the Council to consider the funding recommendations outlined in the Staff Report No. 8 and expressed the due diligence that was conducted in arriving at the recommendations which reached unanimous consensus by the Community Services Commission.

Ms. Neha Balram, Community Services Commission Member
Ms. Linda Moore, Community Services Commission Member
Mr. Ray Bonilla, Community Services Commission Chair

CONSENT

1. Approval of Minutes of the City Council Meeting on March 17, 2015

It was moved by Council Member Peixoto, seconded by Council Members Zermeño and Márquez, and carried unanimously, to approve the minutes of the City Council Meeting on March 17, 2015.

2. Approval of Minutes of the City Council Meeting on March 24, 2015

It was moved by Council Member Peixoto, seconded by Council Members Zermeño and Márquez, and carried unanimously, to approve the minutes of the City Council Meeting on March 17, 2015.

3. Resignation of Phillip Gallegos from the Community Services Commission

Staff report submitted by City Clerk Lens, dated April 7, 2015, was filed.

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

Resolution 15-047, “Resolution Accepting the Resignation of Phillip Gallegos from the Community Services Commission”



**MINUTES OF THE CITY COUNCIL MEETING
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Tuesday, April 7, 2015, 7:00 p.m.**

4. Designation of a City Representative and an Alternate for the Alameda County Community Choice Aggregation Steering Committee

Staff report submitted by Environmental Services Manager Pearson, dated April 7, 2015, was filed.

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

Resolution 15-048, “Resolution Appointing Council Member Mendall as the City of Hayward Representative to the Alameda County Community Choice Aggregation Steering Committee”

5. New Sidewalks FY15 – Laurel Avenue: Approval of Addendum, Award of Contract, and Appropriation of Funds

Staff report submitted by Assistant City Engineer Owusu, dated April 7, 2015, was filed.

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

Resolution 15-049, “Resolution Approving Addendum No. 1 for the New Sidewalks FY15 – Laurel Avenue Project, Project No. 05269, and Awarding the Contract to Diablo General Engineering”

Resolution 15-050, “Resolution Amending Resolution 14-098, As Amended, The Budget Resolution for Capital Improvement Projects for Fiscal Year 2015, Relating to an Appropriation of Funds from the Measure B (Pedestrian and Bicycle) Fund (216) to the New Sidewalks FY15 – Laurel Avenue Project, Project No. 05269”

6. Revisions to the Council Member Handbook

Staff report submitted by City Clerk Lens, dated April 7, 2015, was filed.

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

Resolution 15-051, “Resolution Approving the Additions and Revisions to the Council Member Handbook”

7. Award of Contract for Financial Advisory Services

Staff report submitted by Deputy Director of Finance Claussen, dated April 7, 2015, was filed.

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

Resolution 15-052, “Resolution Authorizing the City Manager to Execute a Professional Services Agreement between the City of Hayward and NHA Advisors for Financial Advisory Services”

Council Member Lamnin disclosed she had to recuse from participating on the Work Session due to a prior employment in an agency that received funding and left the Council Chambers at 7:56 p.m.

Council Member Jones noted that the Hayward Area Historical Society would be acting as a fiscal agent for community organizations requesting funding. Mr. Jones disclosed that he leases property from the Hayward Area Historical Society and its service as a fiscal agent did not affect their business relationship.

WORK SESSION

8. FY 2016 Community Agency Funding Recommendations Including Community Development Block Grant (CDBG), Social Services, and Arts/Music; and Review of the Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019

Staff report submitted by Administrative Analyst McNamara and Community Services Manager Jaeger, dated April 7, 2015, was filed.

Director of Library and Community Services Reinhart acknowledged members of the Community Services Commission in attendance and provided a synopsis of the report.

The City Council commended the Community Services Commission and City staff for the dedicated efforts with the funding recommendations.

Discussion ensued among Council members, City staff, and members of the Community Services Commission regarding: the Alameda County Community Food Bank (ACCFB) - Food Scholarship Program; the South Hayward Parish funding request and the Community Services Commission recommendation to fund the Parish through its ACCFB Food Scholarship; the South Hayward Parish’s prior challenges in meeting financial audit requirements; agencies that do not have a fiscal audit and their ability to apply for City funding through a non-profit fiscal agent; and support for non-profits through a non-profit resource center at the Library and non-profit seminars.



**MINUTES OF THE CITY COUNCIL MEETING
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Tuesday, April 7, 2015, 7:00 p.m.**

Council Member Márquez, also the Council liaison for the Community Services Commission, expressed concern about the inability of South Hayward Parish to operate the food pantry program if it does not have the funding necessary to cover operational costs such as transportation. Ms. Márquez requested that staff work with South Hayward Parish and the Community Services Commission to consider creative solutions to redefine the funding allocation for South Hayward Parish.

Mayor Halliday echoed the comments made by Council Member Márquez and noted that a public hearing regarding the funding recommendations would be presented to Council in two weeks.

Council Member Lamnin returned to the Council Chambers at 8:50 p.m.

PUBLIC HEARING

9. Amendment of the 2010 Urban Water Management Plan to Further Revise the City's Water Shortage Contingency Plan to Implement Additional State Emergency Water Conservation Regulations

Staff report submitted by Senior Utility Service Representative Sargiotto, dated April 7, 2015, was filed.

Utilities and Environmental Services Director Ameri provided a synopsis of the report and noted there was an executive order by Governor Brown that required the State Water Resources Control Board to impose further water restrictions such as achieving a twenty-five percent average reduction in water use state-wide.

The City Council commended staff on outreach efforts to promote water conservation. Council Member Mendall was commended for his work as the City's representative on the Bay Area Water Supply and Conservation Agency (BAWSCA) Board.

Discussion ensued among Council members and City staff. Council members offered the following recommendations: proceed with the educational campaign for the hospitality sector regarding water conservation; continue to enhance general awareness of drought conditions via social media; continue with the advanced metering infrastructure pilot program that will provide residents with information about all aspects about their water usage; continue with the sustainability plan and green building guidelines such as tankless water heaters, drip irrigation, and drought resistant landscaping; encouraged partnerships with schools, HARD, residential and apartment dwellers, homeowners' associations and faith communities; consider a different tiered water rate structure for Hayward residents; continue efforts for local alternative strategies such as rain and gray water and stay current with policies at the state level; strengthen rebate efforts for replacing appliances with more efficient appliances; and ensure fairness across the board when rationing water.

Mayor Halliday opened the public hearing at 9:29 p.m.

Mr. Robert Miller, Hayward resident, suggested washing dishes in a container and using the rinse water to flush toilets and putting a bucket in the shower while the water is warming up to flush toilet as measures to conserve water.

Mayor Halliday closed the public hearing at 9:32 p.m.

Council Member Mendall offered the motion per the staff recommendation and Council Member Zermeño seconded the item.

Council Member Mendall suggested the Council Sustainability Committee conduct a cost analysis on the benefits of enhancing rebates for appliances and concurred with Mr. Robert Miller's suggestions for conserving water.

Council Member Lamnin expressed support for the motion and encouraged staff to join advocacy efforts to hold high water users accountable.

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

Resolution 15-053, "Resolution Amending the 2010 Urban Water Management Plan to Further Revise the Water Shortage Contingency Plan"

INFORMATION ITEMS

10. Affordable Housing and Sustainable Communities (AHSC) "Cap & Trade" Program Project Submittals

A written report was provided.

CITY MANAGER'S COMMENTS

There were none.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño announced the Hayward Rotary's ARTScape 2015 fundraiser on April 11, 2015, at Hayward City Hall Rotunda.

Council Member Lamnin acknowledged the contributions made by her two City interns: Oscar Macias and Elisea Favela.



**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, April 7, 2015, 7:00 p.m.**

ADJOURNMENT

Mayor Halliday adjourned the meeting at 9:39 p.m., in memory of Justin Thompson, a former City employee who passed away on February 2, 2015. Justin Thompson was a Storekeeper-Expediter with the Utilities Department and worked for the City of Hayward for 36 years. Mayor Halliday asked staff to work with the Thompson family to dedicate a tree in memory of Justin Thompson.

APPROVED:

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



DATE: April 21, 2015
TO: Mayor and City Council
FROM: Director of Library and Community Services
SUBJECT: Approval of FY 2016 Community Agency Funding Recommendations (including Community Development Block Grant (CDBG), Social Services, and Arts/Music); and Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019

RECOMMENDATION

That Council:

1. Adopts the attached resolution (Attachment I) authorizing an application for Federal Assistance under the Community Development Block Grant Program for Fiscal Year 2014-2015 and approves the Fiscal Year 2015-2016 Action Plan, which includes the FY2016 CDBG allocations;
2. Adopts the attached Resolution (Attachment II) approving the Alameda County HOME Consortium Five-Year Consolidated Plan for FY 2015 – FY 2019; and
3. Affirms preliminary funding decisions in the FY 2016 Social Services and Arts/Music categories; with final Council authorization of funding allocations in those categories to be made within the context of Council’s FY2016 budget to be adopted in June 2015.

SUMMARY

The FY 2016 Community Agency Funding recommendations for the Community Development Block Grant (CDBG), Social Services, and Arts/Music grant programs are presented in this report.

Allocations of FY 2016 CDBG funds are sourced in the CDBG special revenue fund, and as such they are subject to budget authorization by Congress. Social Services and Arts/Music allocations are sourced from the City of Hayward General Fund, and are subject to final Council authorization in the City’s FY 2016 Adopted Annual Budget. The FY 2016 Community Agency Funding Recommendations are provided as Attachment III.

The FY 2016 Community Agency Funding Recommendations were developed in compliance with the City’s federally-mandated and Council-authorized [CDBG Citizen Participation Plan](#), in

accordance with the Council-authorized [City of Hayward CDBG Compliance Policy Manual](#), and supported by the efforts of the Council-appointed [Community Services Commission \(CSC\)](#).

The FY 2016 funding recommendations for HUD-required fair housing activities and City of Hayward operated projects are also provided in this report.

BACKGROUND

FY 2016 CDBG Program Overview

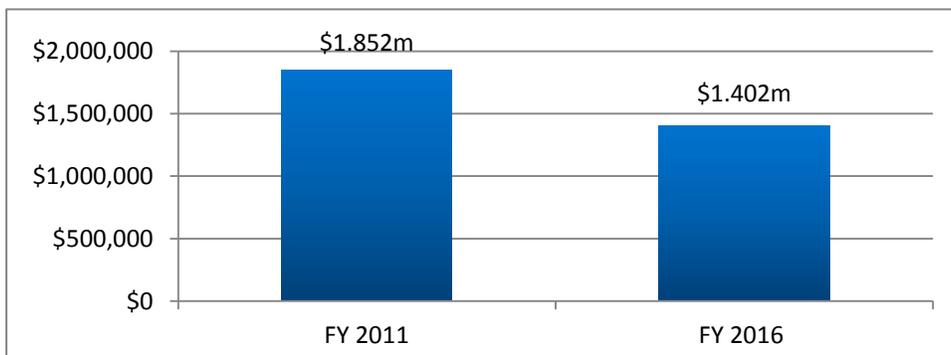
During FY 2016, the City will administer CDBG funds received from the U.S. Department of Housing and Urban Development (HUD). Because of Hayward’s population size, it is considered a CDBG Entitlement jurisdiction. Formula funding is provided annually upon HUD’s approval of Council’s CDBG allocations, which form the substantive portion of the City’s CDBG Annual Action Plan. The formula by which CDBG Entitlement funding is determined considers the total Congressional budget appropriation to HUD, and is calculated according to each Entitlement jurisdiction’s population size and poverty level derived from the most recent Census data.

On December 13, 2014, Congress approved the Federal Fiscal Year 2015 Omnibus Appropriations Bill, which resulted in a 1% reduction to CDBG Entitlement jurisdictions from Federal FY 2014 appropriation levels. Additionally, nine new CDBG Entitlement jurisdictions were established in FY 2015, further diminishing the availability of funds to each grantee.

Reductions in the federal budget continue to diminish the City’s CDBG Entitlement formula allocation from HUD. The City’s CDBG Entitlement allocation has shrunk approximately 24% over the last five fiscal years, as indicated in the chart in Figure 1.

Reductions to the CDBG program at the federal level have impacted financial support for essential community and economic development activities, including grants to nonprofit agencies to support housing-related services. Federal reductions to the CDBG program have also reduced the program’s administration and planning budget, providing fewer staff resources to administer the grant, in spite of the CDBG program’s administratively complex and process-laden requirements.

Figure 1: City of Hayward CDBG Entitlement Funding Levels



CDBG regulations stipulate that funds directly benefit low-income residents and neighborhoods, with activities restricted to “Public Services” and “Infrastructure” projects. This may include housing and homelessness prevention services, facilities rehabilitation, economic development, and capacity building.

FY 2016 Fair Housing and City-Operated Programs Overview

The City of Hayward utilizes a portion of its CDBG entitlement grant to operate programs that deliver critical services to low-income Hayward residents; stimulate economic development and create jobs; and ensure fair housing practices in the community. The utilization of CDBG entitlement funds to deliver direct services to the community is the standard practice among CDBG entitlement jurisdictions since the 1970s, including Hayward. The CDBG entitlement jurisdiction is often the most efficient and effective service provider in their community in identified areas of need due to its organizational capacity, infrastructure, authority, and ability to leverage partnerships and economy of scale. This is also the case in Hayward.

Per the City of Hayward CDBG Compliance Policy Manual adopted by Council on October 21, 2014, in each CDBG program year, the costs of program administration, HUD-required fair housing activities, and City of Hayward operated CDBG projects are subtracted from the annual entitlement award amount. After this internal allocation process is complete, remaining funds are made available to eligible community partner and public services applicants through the Community Agency Funding process at the discretion of the Council.

An overview of HUD-required fair housing activities and City of Hayward operated projects sourced from CDBG funds in FY 2016 follows (Total Allocation = \$645,364):

- *Housing Rehabilitation Program.* The Housing Rehabilitation Program offers loans and grants for home repairs to Hayward homeowners who are senior (62+), certified severely disabled or HUD qualified low-income. Projects are focused on improving health, safety and mobility in the home, and are intended to help vulnerable populations with limited income to continue to live independently in their homes. Repairs are restricted to accessibility/mobility modifications, corrections of code violations, and/or addressing major systems failures in eligible owner-occupied homes. Established in 1977, the program completes approximately 35-40 home rehabilitation and accessibility projects per year. FY 2016 program cost: \$344,496.
- *Family Education Program:* The Family Education Program (FEP) delivers literacy and academic support services to low-income Hayward families. Established in 2009, the Family Education Program is a unique collaboration between the City of Hayward homework/adult literacy tutoring programs, Chabot Community College, and Hayward Unified School District. The program delivers after-school academic support to 3,200 Hayward students in grades K-12, as well as English as Second Language (ESL) literacy tutoring services to approximately 150 parents of Hayward students. FY 2016 program cost: \$147,864.
- *Economic Development Business Incentive Program:* The Business Incentive Program provides technical assistance, infrastructure development and business expansion funding to CDBG eligible property owners and small businesses. The program helps Hayward property owners make infrastructure improvements to attract and support incoming small businesses, and provides Hayward small business owners with development and expansion funding to stimulate economic development and create new jobs. The program was first established in 1990 as the Small Business Revolving Loan program. FY 2016 program cost: \$102,004.
- *Fair Housing Requirement:* One of the Department of Housing and Urban Development's guiding principles is its strong commitment to affirmatively further fair housing.

Commitment and accountability in fair housing is a requirement for participating in the Community Development Block Grant (CDBG) Program. Eden Council for Hope and Opportunity (ECHO Housing) is a HUD-qualified agency fair housing agency, and has provided the fair housing component of the City of Hayward CDBG program since 1978. ECHO Housing provides fair housing counseling, carries out fair housing investigations, and provides low income individuals/tenants with legal information for education and self-empowerment. FY 2016 program cost: \$51,000.

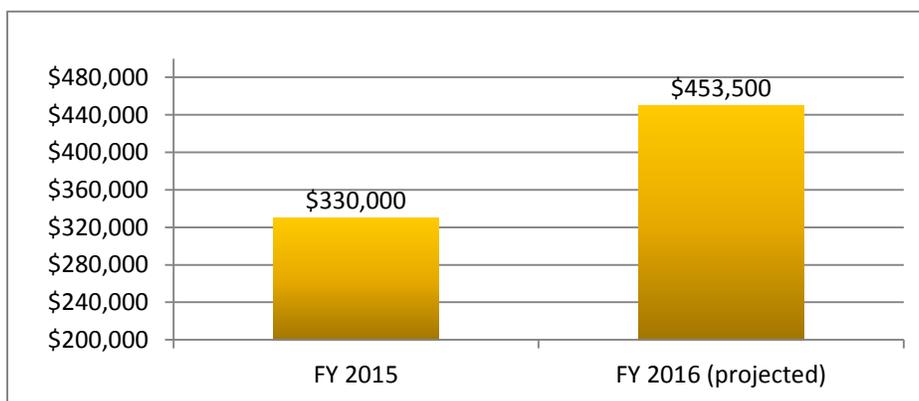
FY 2016 Social Services Program Overview

The City of Hayward administers grants from the General Fund to support Social Services programs for the benefit of low-income Hayward residents. Because Social Services program funds are sourced from the City’s General Fund, it is not yet known what amount of Social Services funding, if any, will be available for allocation in FY 2016. Presentation of the City Manager’s Recommended Budget to Council is scheduled in May 2015; Council adoption of the budget is scheduled in June 2015.

Because the final adopted amounts of available FY 2016 funding are not yet known, the FY 2016 Funding Recommendations were established using estimates of available funding. When the exact amount of available funding has been determined, the Council-approved allocations will be adjusted on a percentage basis as needed.

On October 21, 2014, Council authorized a [Substantial Amendment to the FY 2014-15 CDBG Annual Action Plan](#) to utilize approximately \$1.3 million in unspent CDBG fund balance for the Hayward Promise Neighborhood Street Improvement Project. At that time, Council directed staff to increase the FY 2016 Social Services Grant Program fund in an amount consistent with the amount of the unspent CDBG fund balance that had been previously programmed for services (as opposed to capital projects).

Figure 2: City of Hayward Social Services Grant Program Funding Levels



Based on this direction from Council, and as a starting point for the FY 2016 Community Agency Funding process when it began in October 2014, it was estimated that total funding available for Social Services grants in FY 2016 would be approximately \$453,500. Social Services grants are sourced from the General Fund, and this total can be changed at Council’s discretion. The FY 2016 Social Services funding recommendations are shown in Attachment III.

FY 2016 Arts & Music Grant Program Overview

The City of Hayward administers grants from the General Fund to support Arts & Music programs for the benefit of Hayward residents. Because Arts & Music programs are funded from the City's General Fund, it is not yet known what amount of Arts & Music funding, if any, will be available until Council adoption of the FY 2016 budget.

As a starting point for the FY 2016 Community Agency Funding process, it was estimated that the funding for Arts & Music program grants in FY 2016 would be comparable to the FY 2015 amount, totaling \$81,955. The FY 2016 Arts & Music funding recommendations are shown in Attachment III.

Community Agency Funding Process

In FY 2016, the City of Hayward will make grant funding available to community agencies through the Community Agency Funding process. Grants are sourced from the federal CDBG special revenue fund and the City of Hayward General Fund. From these sources, the estimated total amount of FY 2016 funding available for grants to community agencies is \$788,955.

All external agency applicants for Community Agency Funding used the same integrated application regardless of the type of service proposed or source of funding sought. Applicants submit their funding requests electronically using the web-based City Data Services system. A complete set of application materials was posted to the City's website.

The application materials included instructions, project eligibility guidelines, CDBG income limits, and Council Priorities. Applicants were asked to describe in their applications how the services proposed would support one or more of the Council Priorities and, as applicable, HUD's Performance Measures for CDBG.

The application materials included an explanation of the purpose and limitations of the CDBG program and advised that no more than 15% of CDBG funds may be used for Public Services, as defined by the CDBG regulations and Council's Priorities and Categories of Need.

The application materials included information about the City's Social Services program, which is funded by the City's General Fund, and provides grants to support other types of community services that are outside the parameters of the CDBG program.

The application materials also included information about the Arts & Music program, which is funded by the City's General Fund.

Thirty-six applications were submitted before the October 24, 2014 deadline. No late applications were received. Applications were grouped into three major categories so that similar applications would be evaluated in cohorts (Figure 3).

Figure 3. Community Agency Funding Categories and Sub-Categories

Category	Fund Source	Category (or Sub-Category) Description
Infrastructure	CDBG	Affordable housing development; housing rehabilitation; nonprofit facility improvements; economic development; capacity building. Requires compliance with federal regulations to document client income eligibility and financial management.
Services	CDBG* / General Fund	Crisis prevention and intervention; education and youth services; health and wellness; housing stability and homelessness prevention; services for seniors and people who have disabilities; transportation related services to eligible low income seniors and people who have disabilities.
Arts & Music	General Fund	Arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education.

**NOTE: Federal regulations impose a 15% cap on the amount that can be allocated that in the “CDBG Public Services” category; projects recommended for funding in this sub-category total \$271,548, which is the amount estimated to be available for FY 2016 in consideration of the 15% cap.*

Application Review Committee Structure

Community Services Commissioners reviewed all of the applications and provided comments and questions for each of the applicants online via the City Data Services system. There were three separate Application Review Committees (ARCs): the “Infrastructure” committee; the “Services” committee; and the “Arts & Music” committee. Each committee interviewed all applicants assigned to that category.

- The “Infrastructure” committee was chaired by Commissioner Neha Balram. Also serving on this ARC were Commissioners Frink, Bonilla, Gallegos, Fagalde, Glover-Gardin and Macmadu. The committee interviewed applicants in that category on Saturday, November 15, 2014, and presented preliminary recommendations to the Community Services Commission on Wednesday, November 19, 2014. After discussion, the CSC established its official draft funding recommendations in that category on that evening, and a Public Comment period was subsequently opened. The Public Comment period extended from November 19, 2014 to February 18, 2015.
- The “Services” committee was chaired by Commissioner Linda Moore. Also serving on this ARC were Commissioners DeJulio, Samayoa, Fagalde, Wills, Araujo and Evans. The committee interviewed applicants on Saturday, December 13, 2014 and Saturday, January 10, 2015, and presented preliminary funding recommendations to the Community Services Commission on Wednesday, January 21, 2015. After discussion, the Commission

established its official draft funding recommendations that evening, and a thirty-day Public Comment period was subsequently opened.

- The “Arts & Music” committee was chaired by Commissioner Robert Leppert. Also serving on this ARC were Commissioners Manapragada, Glover-Gardin, Macmadu, Frink, Balram and DeJulio. The committee interviewed applicants on Saturday, February 7, 2015, and presented preliminary funding recommendations to the Community Services Commission on Wednesday, February 18, 2015. After discussion, the Commission established its official draft funding recommendations that evening, and a thirty-day Public Comment period was subsequently opened.

After the conclusion of the Public Comment periods, the Commission discussed and unanimously approved its FY 2016 funding recommendations at its publicly noticed meeting of Wednesday, March 18, 2015. The Community Services Commission FY 2016 funding recommendations were presented to Council consideration on April 7, 2015 (Attachment III).

All of the applications submitted proposed to support at least one City Council Priority, and all proposed to serve low-income Hayward residents. Attachment III presents the funding recommendations for all funding sources. The chart headings in Attachment III separate the recommendations according to funding source – i.e., those that would be funded with CDBG resources and those that would be funded from the General Fund.

There are a number of applicant agencies that were not recommended to receive funding. Brief analyses and rationale regarding each of those recommendations are provided in this report.

The City’s Minimum Contracting Standards were established in the CDBG, Social Services, and Arts & Music grant programs in order to provide a fair and consistent way to confirm that adequate internal controls exist to account for an applicant’s resources, including City funds. Furthermore, the CDBG program has intensified its requirements with tighter fiscal controls and more frequent reporting and documentation. In turn, the City must also be attentive to a grantee’s programmatic and financial management capabilities.

One of the Minimum Contracting Standards requires applicants to undergo an annual financial audit. An independent third-party audit can cost \$3,000 - \$5,000 or more depending on the size of an agency’s budget, which can be beyond the means of some of Hayward’s smaller nonprofit agencies unless they are able to secure pro bono services. To mitigate this barrier while still maintaining accountability, the City’s funding process allows agencies that are unable to meet the Minimum Contracting Standards to apply for funding through an eligible fiscal sponsor. The fiscal sponsor may utilize up to 10% to offset their administrative costs for managing the grant on the applicant’s behalf.

The FY 2016 process will be the fourth year in which Infrastructure and Services applicants have been required to maintain the Minimum Contracting Standards prior to applying for City funding, and the second year in which it is required for Arts & Music programs. To assist the Arts & Music applicants with this transition, City staff identified a fiscal sponsor for all of those agencies, and helped facilitate the fiscal sponsorship and application processes with applicants and the fiscal sponsor.

To ensure that grantees had sufficient capacity to meet the Minimum Contracting Standards, applicants were required to attach the agency's most recent annual financial audit, agency-wide budget, and proposed project budget to their grant proposal. Proposals that did not include these required attachments were deemed ineligible for funding. Applicants were advised of the requirements in the published Notice of Available Funding and at the Funding Forum. The application materials also clearly indicate that agencies are required to meet the Minimum Contracting Standards in order to be eligible for City funding. Additional clarification regarding the audit requirement is provided on page 3 of the application materials, as follows:

“In order to be eligible to apply for City funding, an applicant must have completed an independent fiscal audit for FY 2012-2013 (or calendar year 2013). If awarded funding, in order to execute a FY 2015-2016 contract, each agency must have completed an independent fiscal audit for FY 2013-2014 (or calendar year 2014). Submission of the management letters that accompanied the audits is also required. If there were any findings in the audits, a letter from the board of directors explaining the corrective measures taken to resolve the problem(s) must be provided.

“Agencies that do not have a current audit as described above are eligible to apply for City funding only under the auspices of a fiscal agent that can meet this standard. The fiscal agent must apply for the funding, and if granted, the fiscal agent may utilize up to 10% of the grant for its own expenses.”

The following applicants were determined to be ineligible to receive City funding as they were unable to meet the fiscal audit standard:

- Social Good Fund – Recruiters United
- Silver Oak High School

Staff has since conferred with each of the applicants to further explain the specifics of an independent fiscal audit, options for applying through a fiscal sponsor, and other eligibility resources which the applicants can explore for future funding cycles.

FY 2016 Applications Not Recommended for Funding

- *Afghan Elderly Association*: Agency requested FY 2016 funds for a part-time health promoter and rental subsidy for the weekly Health Aging Program. During the ARC interview, commissioners requested data regarding currently served populations. Follow up information was requested from the applicant and was due by the date of the CSC meeting of December 19, 2014. The applicant did not provide any information. Given the limited availability of resources, and lacking a response from the applicant, funding was not recommended.
- *Alameda County Office of Education – Project E.A.T.* Agency requested FY 2016 funds to install new lighting and an irrigation system, and to support student internships. Commissioners noted the limited number of individuals that would receive a direct benefit from the project. Commissioners noted that the applicant had the capacity to secure

alternative funding sources for project execution. Given the limited availability of resources, funding was not recommended for these reasons.

- East Bay Community Recovery Project (EBCRP) – Drop In Services: Agency requested FY 2016 funds to conduct classes on the topics of organic gardening, nicotine cessation and exercise. The classes would be administered by volunteers on a drop in basis. Commissioners and staff noted that the project was still in its developmental stages with no track record yet to demonstrate gainful skill attainment.. Given the limited availability of resources, the project was not recommended for funding.
- La Familia Counseling Services: Agency requested FY 2016 funds for a youth leadership development program. During the ARC interview, the agency staff stated that they do not have an established system for reporting and measuring program outcomes, but that they will be developing and implementing evidence based measures in the near future. Commissioners expressed concern at the agency’s reporting abilities because these measures are not in place. Funding was not recommended at this time, but Commissioners indicated interest in considering future applications once the agency has implemented the necessary performance tracking system.
- South Hayward Parish (*recommended for full funding via Alameda County Community Food Bank): Agency requested FY 2016 funds to purchase food for its Food Pantry. Commissioners noted that South Hayward Parish has had challenges meeting contracting and reporting standards for City grants in recent years including the current year. Commissioners noted that South Hayward Parish purchases most of its food through the Alameda County Community Food Bank (ACCFB), and that South Hayward Parish also has a Food Scholarship, i.e., a deposit of funds on account at ACCFB against which South Hayward Parish can purchase food. The Food Scholarship program allows South Hayward Parish to acquire \$6 worth of food for each \$1 spent. South Hayward Parish stated in their ARC interview that they could acquire \$4 worth of food for every \$1 spent.

South Hayward Parish also stated in their ARC interview that they would use any City grant funds solely to purchase food. For these reasons, the Community Services Commission unanimously chose to award funding to South Hayward Parish only through its ACCFB Food Scholarship, to enable South Hayward Parish to purchase all of its food at the higher 6:1 ratio of food per dollar, and to relieve South Hayward Parish of the challenges of meeting contracting and reporting standards for City grants. The FY 2016 recommended award to South Hayward Parish via ACCFB is \$26,180, which is identical to the combined total amount awarded to South Hayward Parish for their direct grant and ACCFB food scholarship in FY 2015.

As a result of the discussion before Council on April 7, 2015 regarding the CSC funding recommendations for the South Hayward Parish, staff went back and took another look at South Hayward Parish’s past applications and contracts. Both their FY 2014 and FY 2015 contract budgets indicate that all of the City funding was used for Consumable Supplies, i.e., food. There is no indication that City funding was to be used for staff, mileage, field supplies, or transportation costs.

The budget South Hayward Parish submitted in their FY 2016 application (the one under discussion on April 7, 2015) shows that they plan to spend \$30,000 in the same category, Food Purchase. This is the total amount of their funding request.

In past years, as well as in the current year under discussion, South Hayward Parish has consistently stated to staff and to the CSC that they utilize the City grant funds solely to purchase food. This was confirmed in the budgets they submitted to the City when their funding contracts were signed (see Attachment VI).

From the presentation of April 7, 2015, it appears that South Hayward Parish may have actually used the funds to pay for other items other than consumables. While this is concerning from an accountability perspective, it is possible that in stating that the agency would "...provide emergency food for...low-income Hayward residents" they meant to include non-consumable activities needed to get the food from storage to the distribution center. However, it is complicated by the fact that each year their budget document clearly shows the entire requested amount was budgeted to purchase consumables (food).

Given the representation of the statement coupled with the actual budget document, and compounded by the reporting difficulties in the past years, the CSC thought it was a win-win for everyone to fund the Alameda County Food Bank for the amount requested by South Hayward Parish and have it ear-marked for that agency. This did three things: one, it leveraged the dollars to allow South Hayward Parish to secure more food for their clients; two, it relieved South Hayward Parish of the burden of administrative reporting and auditing; and three, it assured that the CSC was doing their very best to be good stewards of the public dollars entrusted to their funding recommendation process.

Since it is possible that South Hayward Parish intended to include food delivery costs (e.g., van maintenance, salaries, etc.) in their definition of the line-item "consumables", Council could take one of three actions:

1. Support the recommendations of the CSC and staff.
2. Decide to split the awarded amount of \$26,000, with 50% to the Alameda County Food Bank (ear-marked for South Hayward Parish) and 50% to South Hayward Parish for non-consumable expenses related to food pick-up, preparation, and delivery only. This approach provides some flexible funding to South Hayward Parish, but it will likely reduce the amount of food available to Hayward residents. It poses the danger of less-than adequate administrative accounting and reporting for the 50% given directly to South Hayward Parish; and it evokes the need for South Hayward Parish to conduct and submit the annual audit required of all grant recipients. It also creates potential issues with the perceived integrity and fairness of the City's funding process and the work of the CSC and their respective ARCs.
3. If budget allows, increase the allocation to South Hayward Parish by \$4,000, matching their original request of \$30,000; and allow the additional \$4,000 to be used as operating funds directly related to the handling, preparation, and distribution of food. This has the same pitfalls as above in #2, but continues the leveraging envisioned by the CSC; and it provides some support to South Hayward Parish for

operational expenses. The danger is that sufficient General Fund dollars may not be available as Council considers the FY2016 budget.

The South Hayward Parish FY 2016 application and the contract budgets they submitted in prior years FY 2014 and FY 2015, are included for your reference as Attachment VI. The attached funding allocation information (Attachment III) has not changed in regards to South Hayward Parish pending Council action at this meeting.

- Tiburcio Vasquez Health Center – Keepin’ It Real Program. Agency requested funds for a the training of peer health educators and health information assemblies. Commissioners noted that the individuals receiving the direct benefit of the grant funds would be a limited group of peer educators, rather than the schools as a whole. Given the limited availability of resources and the low number of direct beneficiaries from the application, funding was not recommended for this reason.
- Tri-City Health Center. Agency requested funds to provide case management services to low-income residents living with HIV/AIDS. Commissioners had concern regarding significant findings in the agency’s previous audit. Commissioners also expressed concern that Tri-City Health Center no longer provides a Hayward service location. Given the limited availability of resources to serve Hayward residents, funding was not recommended.

Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019

The City of Hayward is a member of the Alameda County HOME Consortium (Consortium). The Consortium is comprised of eight municipal jurisdictions (Hayward, Alameda, Albany, Berkeley, Fremont, Livermore, Oakland and San Leandro) plus the County of Alameda. The Alameda County department of Housing and Community Development (HCD) serves as the lead agency for the Consortium.

The Consortium is the entity through which the U.S. Department of Housing and Urban Development (HUD) allocates HOME funds on behalf of the participating jurisdictions. Community Development Block Grant (CDBG) funds originate from HUD and are allocated annually and directly to each of the entitlement jurisdictions, including the City of Hayward.

As the lead agency, Alameda County HCD coordinates the development of the Consortium’s Five Year Consolidated Plan for FY 2015 – FY 2019 (Consolidated Plan). The Consolidated Plan presents Countywide information and information specific to each of the participating jurisdictions. The purpose of the Consolidated Plan is to describe priorities and goals that the City of Hayward and the other partner jurisdictions will undertake in conjunction with HUD program funding during Fiscal Years 2015 through 2019.

The priorities and performance measures identified in the Consolidated Plan represent those of the Consortium as a whole. These priorities are nationwide areas of emphasis that HUD has instructed participating jurisdictions to address. HUD instructs the jurisdictions to denote each priority either as “high” if it has an identified source of guaranteed funding, or “low” if the priority has been established but resources have not yet been dedicated for its implementation.

Each jurisdiction within the HOME Consortium provides a local strategic plan based on local needs. In Hayward, local need was identified using City Council priorities and citizen input. Input was

solicited and collected over a six month period between October 2014 and April 2015, utilizing surveys, stakeholder interviews, Community Services Commission meetings, and public hearings.

The Community Development Consolidated Plan is submitted pursuant to the U. S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) requiring a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) formula programs.

The Five Year Consolidated Plan is a County-wide document over 500 pages long. Because of its length, rather than attaching it in full to this report, [a link to the draft Consolidated Plan](#) is being made available on the City of Hayward CDBG information webpage.

FISCAL IMPACT

CATEGORY	AMOUNT
CDBG – Grants to community agencies	253,500
General Fund - Social Services grants to community agencies	453,500
General Fund - Arts & Music grants to community agencies	81,955
Total Grants to Community Agencies	788,955
CDBG – City-operated services	594,364
CDBG - HUD required fair housing activities	51,000
Total City-Operated Services and HUD-Required Fair Housing	645,364
GRAND TOTAL FY 2016 Recommended Funding (All Sources)	\$1,434,319

The CDBG Program has a neutral impact on the City’s General Fund, as a portion of CDBG funds (up to 20%) may be used to pay for eligible Planning and Administration of the program, including NEPA environmental review, contracting, Labor Standards monitoring, lead-based paint compliance, procurement of contractors, site inspections, financial management, and federal reporting. However, as the City’s CDBG grant size is reduced, the administrative cap is lowered accordingly, providing for fewer staff resources to administer the CDBG program, which remains an administratively complex and process-laden program despite the grant’s reduced size.

The Social Services and Arts & Music funding recommendations will be affected by Council’s budget deliberations as they relate to overall General Fund obligations. As these grants are made using the General Fund, reducing or eliminating the grants would have a beneficial impact on the City’s budget. However, it is acknowledged that the majority of Social Services grants support “safety net” services, i.e., food, housing, support services for low-income people, and information and referral. Reducing or eliminating grants would have a fiscal impact on those affected with services also subsequently reduced or eliminated. There would also be an impact to the nonprofit agencies that have been doubly stressed by the economic downturn – those that have experienced both an increase in client demand and a decrease in public and private funding.

PUBLIC CONTACT

- **On August 16, 2014**, a Notice of Funding Availability was published in English and Spanish in the Daily Review newspaper and on the City's website. The notice was also posted at the Hayward Public Library and City Hall; and the Public Notice was emailed to currently funded agencies, previously funded agencies, applicants from previous years, and all other interested parties on the Community Agency Funding mailing list (several hundred individuals and local agencies) maintained by the Library and Community Services Department. Several broadcast email reminders were also sent in advance of the event.
- **On September 17, 2014**, application materials were published. The materials were readily accessible by logging onto City Data Services web-based system, or downloadable from the City's website.
- **On September 17, 2014**, a public Funding Forum was conducted to provide information about the application process. Attendees received an orientation to CDBG, Social Services, and Arts/Music funding. The orientation included an explanation of the purpose and limitations of the CDBG program and advised that up to 15% of CDBG funds may be used for Public Services, as defined by the CDBG Regulations and Council's Priorities and Categories of Need. Attendees were informed about the City's Social Services program, which is funded by the City's General Fund, which provides grants to support other types of community services that are outside the parameters of the CDBG program. Attendees were also informed about the Arts/Music program, which is funded by the City's General Fund. The Forum presentation materials have been posted to the City's website for public review.
- All funding deliberations took place at properly noticed Community Services Commission meetings that were open to the public. These meetings took place on:
 - **November 19, 2014**
 - **January 21, 2015**
 - **February 18, 2015**, and
 - **March 18, 2015**.
- From **November 19, 2014 through February 18, 2015**, the Public Comment period for the CDBG Infrastructure draft recommendations was in effect. During this time, members of the public, including applicants, could submit their comments regarding the funding process or the funding recommendations.
- From **January 21, 2015 through February 18, 2015**, the Public Comment periods for CDBG Public Services and General Fund Social Services draft funding recommendations were in effect.
- From **February 18, 2015 through March 18, 2015**, the Public Comment period for the Arts & Music draft funding recommendations was in effect.
- During the above-mentioned public comment periods, seven verbal public comments and four written public comments were submitted by **March 15, 2015**. The public comments received are provided in Attachment V. All public comments were reviewed by the CSC

prior to its establishment of the FY 2016 funding recommendations.

- On **Saturday, March 14, 2015**, a notice was published in the Daily Review newspaper to advise the general public that City Council will conduct a Public Hearing on **Tuesday, April 21, 2015**, to make its final FY 2015 CDBG funding allocations, and its preliminary FY 2016 Social Services and Arts/Music funding decisions (subject to final approval by Council in June, 2015, with the adoption of the FY 2015 General Fund budget).
- On **Tuesday, April 7, 2015**, a City Council Work Session was held to present and review the FY 2015 funding recommendations in the CDBG, Social Services and Arts/Music categories.

NEXT STEPS

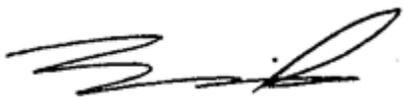
Should Council approve the FY 2016 Community Agency Funding Recommendations, CDBG Annual Action Plan, and Five Year Consolidated Plan, staff will:

- 1) Submit the approved FY 2015-16 CDBG Annual Action Plan to HUD on behalf of the City of Hayward, and execute and submit the required applications and all implementing documents in connection therewith; and
- 2) Submit the approved Five Year Consolidated Plan to Alameda County HCD for consolidation with the County-wide Plan and submittal to HUD by the County; and
- 3) Include Council's preliminary FY 2016 Social Services and Arts & Music funding decisions in the Library & Community Services Department's FY2016 proposed budget, scheduled for Council approval on June 23, 2015.

Prepared by: Rachael McNamara, Administrative Analyst
Dawn Jaeger, Community Services Manager

Recommended by: Sean Reinhart, Director of Library & Community Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution
Attachment II: Resolution
Attachment III: FY 2016 Funding Recommendations
Attachment IV: Application Summaries
Attachment V: Public Comments
Attachment VI: South Hayward Parish FY 2016 Application and FY 2014 and FY 2015 Signed Contract Budgets

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING AN APPLICATION FOR FEDERAL ASSISTANCE UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR FISCAL YEAR 2014-2015 AND APPROVING THE FISCAL YEAR 2015-2016 ACTION PLAN.

WHEREAS the Housing and Community Development Act of 1974 makes funds available to qualified cities for certain community development activities, and the City of Hayward is qualified to receive certain funds pursuant to said act; and

WHEREAS the City Council has considered public testimony and the CDBG Program recommendations prepared by staff and the Community Services Commission, a copy of which is attached and hereby referred to for further particulars; and

WHEREAS the Council has considered the environmental impact of the program and hereby finds and determines that the program is composed of projects that are categorically excluded from the National Environmental Protection Act or will be subject to later environmental review and finds and determines that the activities funded by the program are either not subject to the California Environmental Quality Act or will be subject to later environmental review;

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Hayward hereby approves the Community Development Block Grant Program and authorizes the City Manager on behalf of the City of Hayward to execute and submit the required applications and all implementing documents in connection therewith.

IN COUNCIL, HAYWARD, CALIFORNIA, April 21, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:
MAYOR: Halliday

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION ADOPTING THE CONSOLIDATED PLAN FOR FISCAL YEARS 2015-2019

WHEREAS pursuant to federal regulations the City is required to adopt a Consolidated Plan for fiscal years 2015-2019 to be included in the Alameda County HOME Consortium Consolidated Plan to fulfill Community Development Block Grant CDBG and HOME Program funding requirements

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Hayward hereby adopts the Consolidated Plan for fiscal years 2015-2019 in substantially the form of the plans on file in the office of the City Clerk

BE IT FURTHER RESOLVED that the City Manager is hereby authorized on behalf of the City of Hayward to execute and submit the required application and all implementing documents in connection therewith

IN COUNCIL, HAYWARD, CALIFORNIA, April 21, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:
MAYOR: Halliday

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

COMMUNITY AGENCY FUNDING RECOMMENDATIONS
Approved by the Community Services Commission 3/18/2015
FY 2016

CDBG

Agency	Program Description	FY16 Recommendation*
Abode Services	Permanent supportive housing placement	\$ 39,000
Community Child Care Council (4-Cs)	Child care provider training / business development	\$ 27,000
Day Labor Center (via Community Initiatives)	Job placement, job training, job creation	\$ 27,000
East Bay Community Recovery Project	Rehab facility repairs	\$ 42,000
Eden Area YMCA	ADA accessible commerical kitchen renovation	\$ 11,500
Eden Council for Hope and Opportunity (ECHO)	Fair housing audit, tenant/landlord counseling	\$ 51,000
FACES for the Future (via St. Rose)	Youth career training in health care	\$ 17,500
Hayward Area Recreation District	Memorial Park ADA access project	\$ 11,500
International Institute of the Bay Area	Immigrant legal services and education	\$ 10,000
St. Rose Hospital Foundation	ADA accessible emergency room entrance	\$ 17,000
TOTAL		\$ 253,500
Total Amount Available for Grants		\$ 253,500

GENERAL FUND - SOCIAL SERVICES

Agency	Program Description	FY16 Recommendation*
BOSS (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 4,000
Bridges of Faith (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 7,000
CALICO	School based food production and farming program	\$ 25,000
Centro Legal de la Raza	Tenant-landlord legal consultations	\$ 26,000
CRIL	Life skills support for disabled adults	\$ 21,000
East Bay Agency for Children	In-school youth mental health services	\$ 18,500
Eden I & R	2-1-1 referral service	\$ 50,000
Family Emergency Shelter (FESCO)	22 Bed Emergency shelter for Hayward Families	\$ 40,000
Family Violence Law Center	Legal advice/ rep. for domestic violence victims	\$ 60,000
Horizon Services	Lambda program for at risk LGBTQ youth	\$ 48,000
Legal Assistance for Seniors	Legal assistance to at risk Hayward Seniors	\$ 20,000
Magnolia Women (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 500
Ruby's Place	Domestic violence shelter serving Hayward	\$ 60,000
Salvation Army (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 1,600
SAVE/COPS	Safe Alternatives to Violence prorgam coord.with HPD	\$ 24,000
South Hayward Parish food pantry (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 26,180
Spectrum Community Services	Hot meals / dining sites for low income Hayward seniors	\$ 21,000
United Smith (via ACCFB)	Alameda County Community Food Bank - Food scholarship	\$ 720
TOTAL		\$ 453,500
Total Amount Available for Grants		\$ 453,500

* Approved by the CSC on 3/18/2015

COMMUNITY AGENCY FUNDING RECOMMENDATIONS
Approved by the Community Services Commission 3/18/2015
FY 2016

GENERAL FUND - ARTS & MUSIC

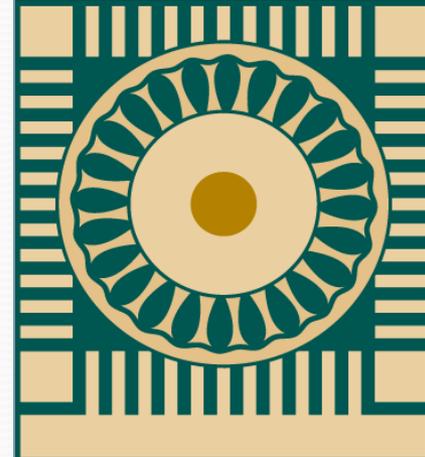
Agency	Program Description	FY16 Recommendation*
Hayward Arts Council (via HAHS)	Art education and gallery operations	\$ 18,134
Hayward Band & Orchestra Festival (via HAHS)	Student concerts	\$ 8,140
Hayward Municipal Band (via HAHS)	Summer concerts	\$ 16,165
Pacific Chamber Symphony (via HAHS)	Orchestral music school assemblies	\$ 5,693
Sun Gallery (via HAHS)	Art education and workshops	\$ 30,195
Youth Orchestra of So. Alameda County (via HAHS)	Orchestra workshops and concerts	\$ 3,628
TOTAL		\$ 81,955
Total Amount Available for Grants		\$ 81,955

TOTALS BY CATEGORY	
Community Development Block Grant (CDBG)	\$ 253,500
Social Services Grant Program (General Fund)	\$ 453,500
Arts & Music Grant Program (General Fund)	\$ 81,955
GRAND TOTAL	\$ 788,955

* Approved by the CSC on 3/18/2015

APPLICATIONS FOR FUNDING Fiscal Year 2015-2016

April 7, 2015 Work Session



COMMUNITY CHILD CARE COUNCIL (4-CS): ECONOMIC DEVELOPMENT

Requested Funding:
\$30,000



Recruitment, training, and business support for 6 new and 6 existing family child care providers - assistance with applying for a child care license and training on business practices, including record-keeping systems, contracts, insurance, taxes and marketing.

COMMUNITY INITIATIVES: DAY LABOR CENTER ECONOMIC DEVELOPMENT

Requested Funding:
\$70,000



Job creation and referral as well as legal services relating to immigration issues.

EAST BAY COMMUNITY RECOVERY PROJECT

Requested Funding:
\$84,000



Facility Improvements of removing concrete to create an urban garden, replace the roof and replace flooring.

EDEN AREA YMCA FACILITIES REHABILITATION

Requested Funding:
\$25,000



Commercial kitchen renovation project to be used for workforce development classes for young adults, healthy cooking classes for local residents, rental space for nonprofits throughout the area, and occasional meal service programs throughout the year.

HAYWARD AREA RECREATION AND PARK DISTRICT FACILITIES REHABILITATION

Requested Funding:
\$100, 000



ADA accessibility upgrades for the Memorial Park Restroom, pathway and, Hayward Plunge exterior deck. Install low energy security lighting around the perimeter of the building for safety of the public

ST. ROSE HOSPITAL FOUNDATION

FACILITIES REHABILITATION

Requested Funding:
\$50,000



Replacement of the ambulance entry, patient entry doors to the ED, upgrade seating and flooring in the patient waiting area, install a canopy cover over the ambulance entry, and improve security by replacing lighting fixtures outside of the ED entrance

ST. ROSE – FACES FOR THE FUTURE

ECONOMIC DEVELOPMENT

Requested Funding:
\$22,000



FACES for the Future at St. Rose Hospital is a 2-year healthcare internship and leadership development program for at-risk, minority high school students.

ABODE SERVICES

Requested Funding:
\$39,000



Outreach to homeless Hayward residents who have been identified as 'high end user' of police and other emergency services by the Hayward PD and jurisdictional staff. The program will permanently house 8 chronically homeless individuals and provide outreach to 58 homeless Hayward residents.

AFGHAN ELDERLY ASSOCIATION

Requested Funding:
\$12,000



Weekly Healthy Aging Program to Afghan elders in Hayward providing guidance and access to health education and other supportive services.

ALAMEDA CO COMMUNITY FOOD BANK

Requested Funding:
\$40,000



Food scholarships for local pantries and shelters. The Food Bank will leverage our food purchases at a \$1 to \$6 ratio. Scholarships are planned for the following Hayward member agencies:

- Bridges of Faith Church
- Building Opportunity for Self Sufficiency
- Magnolia Women
- Salvation Army
- South Hayward Parish
- United Smith Memorial

ALAMEDA COUNTY OFFICE OF EDUCATION

Requested Funding:
\$84,200



Project EAT (Educate. Act. Thrive.) – High school based food production and sustainability program. Program located at the “Tennyson Farm” at Tennyson High School.

CALICO

Requested Funding:
\$25,000



CALICO aims to conduct 110 forensic interviews with abused Hayward toddlers, children and teens as well as adults with developmental disabilities, and support 75 related caregivers. The project supports victims/witnesses of sexual and physical abuse and their families.

CENTRO LEGAL DE LA RAZA

Requested Funding:
\$40,000



Centro Legal proposes the following outcomes for Hayward tenants: 100 - consultation with an attorney; 70 - advice and counsel on common tenant issues; 40 consultations and brief services and 12 - legal representation allowing them to avoid eviction, maintain housing, receive additional time to move out, and/or receive payment for moving costs.

COMMUNITY RESOURCES FOR INDEPENDENT LIVING

Requested Funding:
\$25,000



CRIL's Independent Living & Housing services provide comprehensive life skills training & support, coupled with affordable, accessible housing search assistance.

EAST BAY AGENCY FOR CHILDREN

Requested Funding:
\$18,500



School-based specialized mental health services to low-income Hayward children, as well as family therapy to improve family functioning.

EAST BAY COMMUNITY RECOVERY PROJECT

Requested Funding:
\$50,000



Free drop-in Health and Wellness Services for individuals at risk of having a mental health and/or substance use disorder. EBCRP proposes a range of programming including nutrition workshops in conjunction with a co-operative organic garden, tobacco cessation, exercise, parenting, and HIV prevention, among others.

EDEN I & R

Requested Funding:
\$70,000



211 is a free, multilingual phone line available 24/7 that provides health, housing and human services information and referral. During FY 2015 -2016 Eden I&R will handle at least 13,000 calls from Hayward residents.

FAMILY EMERGENCY SHELTER COALITION

Requested Funding:
\$40,000



Support for the Les Marquis House (LMH), a 22-bed emergency shelter for homeless families with children in Hayward. LMH serves 35-40 homeless families yearly.

FAMILY VIOLENCE LAW CENTER

Requested Funding:
\$65,000



The Family Violence & Homelessness Prevention (FVHP) Project works to enable families to leave a domestic violence situations without becoming homeless or experiencing further injury. Direct legal assistance to 65 families, 12 individuals will receive assistance obtaining court orders, housing services to 10 individuals, service referrals to 100 Hayward victims of DV.

HORIZON SERVICES

Requested Funding:
\$60,000



Lambda Project provides counseling and crisis services for LGBTQ youth. Provides training and support to HUSD on issues such as bullying, sensitivity and awareness.

INTERNATIONAL INSTITUTE OF THE BAY AREA

Requested Funding:
\$10,000



IIBA provides legal services and performs educational workshops to Bay Area immigrants. This includes applications for citizenship, permanent residency, work authorization, family based immigration and visas for survivors of crime and domestic violence.

LA FAMILIA COUNSELING SERVICE

Requested Funding:
\$23,836



Hilos del Sol Program – Peer to Peer skill-building through activities to raise awareness of self, family, school, and community to motivate positive behavioral changes in participants.

LEGAL ASSISTANCE FOR SENIORS

Requested Funding:
\$20,000



Legal services for seniors including direct legal services, as well as community education presentations regarding legal and healthcare-related issues that affect quality of life.

RUBY'S PLACE

Requested Funding:
\$60,000



Ruby's Place (RP) is a 24 hour shelter for women and children with an array of no fee direct services. In addition, RP also serves Hayward community members who are experiencing or, at risk for violence or homelessness. Proposed 70 unduplicated Hayward residents served.

SAVE/COPS

Requested Funding:
\$32, 036



Safe Alternatives to Violent Environments: Intervention and counseling to survivors of domestic violence, in collaboration with Hayward Police.

SOUTH HAYWARD PARISH FOOD PANTRY

Requested Funding:
\$30,000



*South Hayward
Parish*

The South Hayward Parish will provide emergency food for 8000 unduplicated low-income Hayward residents. Participants will obtain short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products, and protein items as available.

SPECTRUM COMMUNITY SERVICES

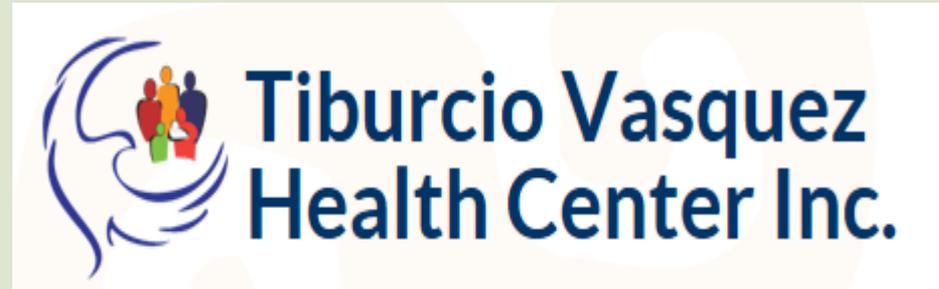
Requested Funding:
\$30,000



Spectrum's Senior Nutrition Program will prepare and serve over 20,000 meals at seven locations throughout Hayward to elderly residents who are low income to extremely low income

TIBURCIO VASQUEZ HEALTH CENTER

Requested Funding:
\$50,000



Keepin' It Real (KIR) program works with middle and high school students by addressing teen violence, substance abuse, and reproductive health. Twenty youth educators will be trained and provide training and educational workshops to other students across HUSD.

TRI-CITY HEALTH CENTER

Requested Funding:
\$25,000



Provides services to prevent homelessness for people living with AIDS and to prevent acquiring HIV for people who are homeless.

HAYWARD AREA HISTORICAL SOCIETY

Fiscal Coordinator receives
10% of subrecipient's grant
award for grant management.



The Hayward Area Historical Society is the lead organization on the collaborative Arts and Music application, and will assume fiscal coordinator responsibilities for all projects.

HAYWARD BAND AND ORCHESTRA FESTIVAL

Requested Funding:
\$8,140



Partnering with Hayward Unified School District music teachers, the Hayward Band and Orchestra Festival assembles instrumental music students from six Hayward high schools and middle schools to play under conductors and music educators.

HAYWARD ARTS COUNCIL

Requested Funding:
\$18,133



Provides art education as well as four art galleries in Hayward:

1. Foothill Gallery
2. John O'Lague Galleria
3. Chamber of Commerce
4. Hayward Senior Center

HAYWARD MUNICIPAL BAND

Requested Funding:
\$19,883



Provides five free Sunday concerts in Memorial Park. Comprised of a 40 member musical group, performances include Classical, Popular, Big Band, Jazz, Rock, Musicals and Latin as well as music from the early 1700's to the present day.

PACIFIC CHAMBER SYMPHONY

Requested Funding:
\$5,693



The Pacific Chamber Symphony performs a variety of music to introduce and teach music fundamentals (i.e. rhythm, melody, acoustics and timbre, harmony, form, style, etc.) in assemblies for each public elementary school in Hayward.

SUN GALLERY

Requested Funding:
\$30,195



The Sun Gallery offers a range of exhibits and education programs that brings art to the community. Art education activities for adults and children (school field trips and summer art camp) combine gallery exposure with hands-on experiences in the studio, lectures, workshops, and readings.

YOUTH ORCHESTRA OF SO. ALAMEDA COUNTY

Requested Funding:
\$3,025



The Youth Orchestra of Southern Alameda County provides music education to supplement school music programs in Hayward and surrounding communities. The program hosts twenty-nine rehearsals and three concerts each year. Students learn classical orchestral repertoire, playing techniques and background information on composers and periods.

SUMMARY of PUBLIC COMMENTS

INRASTRUCTURE

No Public Comments were made in this category during the public comment period

SERVICES

Total of 12 Comments: (9) Verbal Comments and (3) Written Comments

Tiburcio Vasquez Health Center: Keepin' It Real Program

1. **Karen Audrade, Peer Advocate – Verbal 2/18/15**
Ms. Audrade expressed the positive affect the KIR program has had on her life.
2. **Dennis Chau, Peer Advocate – Verbal 2/18/15**
Mr. Chau expressed the positive affect the KIR program has had on his life and the lives of his peers.
3. **Victoria Garcia, Peer Advocate – Verbal 2/18/15**
Ms. Garcia expressed the positive affect the KIR program has had on her personal and academic life.
4. **Maria Martin, Parent of Tennyson Student – Verbal 2/18/15**
Ms. Martin only speaks Spanish and her public comment as translated by Maricela Gutierrez of Tiburcio Vasquez. Ms. Martin expressed the positive affect the KIR program has had on her family's life by providing a structured afterschool activity for her daughter.
5. **David Pheng, Program Manager of Keepin' It Real Program – Verbal 2/18/15**
Mr. Pheng expressed the positive effects that the KIR program has on peer advocates, all Tennyson students, and the school and community as a whole.
6. **James Singian, Former Peer Advocate – Verbal 2/18/15**
Mr. Singian expressed the positive affect that the KIR program has had on his life, including his academic and professional career. Mr. Singian was able receive scholarships due to his participation in KIR and is currently enrolled in health career related studies at San Francisco State
7. **Jennifer Valdivia, Peer Advocate – Verbal 2/18/15**
Ms. Valdivia expressed the positive affect that the KIR program has had on her life.
8. **Megan McCoy Milan, Tennyson High School health teacher – Written 2/17/15**
Letter written in support of the Keepin' It Real Program, a copy of which is attached.

- 9. Tayson Bui, a Tennyson High School Freshmen Preparation for College and Careers teacher - Written 2/17/15**
Letter written in support of the Keepin' It Real Program, a copy of which is attached

South Hayward Parish Food Pantry

- 10. Sue Merrill, Executive Director of South Hayward Parish – Verbal 2/18/15**
Ms. Merrill stated that she misinterpreted questions during the ARC interviews. She stated that the grant for FY 15-16 would be for the food program as a whole, not actual food purchases.
- 11. Sue Merrill, Executive Director of the South Hayward Parish- Written 2/11/15**
Ms. Merrill stated that the document provided was an “appeal”. However there is no formal appeal process and instead the letter was provided as a public comment, a copy of which is attached.

La Familia Counseling Services

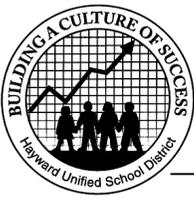
- 12. Karen Norell, employee of La Familia Counseling Services – Verbal 2/18/15**
Ms. Norell attended on behalf of the Executive Director of La Familia and wanted to thank the CSC for the opportunity to apply for funding and looks forward to applying for funding in future years and a continued relationship with the City of Hayward.

ARTS & MUSIC

Total of 1 Comment: (1) Written Comment

Hayward Municipal Band

- 1. Lolita Morelli, Executive Director – Via Email 3/14/15**
Keeping the music going in Hayward is very important to many people. I’ve already received phone calls from both audience members and musicians to be sure that there will be concerts in the park starting on Fathers’ Day.



Tennyson High School

27035 Whitman St. Hayward, CA 94544 (510) 723-3190

February 17, 2015

To Whom it May Concern:

Thank you for taking the time to read this letter of support. I have been a teacher here at Tennyson for nine years and would like to express how very grateful I am for the incredible Tiburcio Vasquez Health Center and the Peer Advocates program in particular.

The Peer Advocates come into all of my freshmen health classes to do student-led health education workshops on STIs, birth control options, and healthy relationships. Not only do the Peer Advocates become accessible resources of information, but they also have the ability to reach other young people in a unique way that is irreplaceable. These presentations have become a highlight of the course and reaches almost every freshman, every year. The Peers gain invaluable leadership and facilitation skills through this experience, and become role models to the freshmen.

Outreach events are another way that the amazing Peer Advocates improve the health and awareness of the Tennyson community. They have creative, innovative ideas that are fun and really engage the students. This kind of outreach, led by students, for students, is critical on our campus. Students can be more open to information and help when the source is a more approachable peer. Obviously it is impossible to collect data around the number of unwanted pregnancies and STIs the Peer Advocates program has directly helped to avoid, but countless young people have been positively affected.

The Peer Advocates program is a vital part of the wellness community on campus. The impact of the Peer Advocates program at Tennyson High School is absolutely invaluable. Please do all you can to ensure that the Peer Advocates remains an important part of our young people's lives.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Megan McCoy Milan, M.A.
Health Teacher
Tennyson High School

Megan McCoy Milan
mmccoy@husd.k12.ca.us
(510) 723-3190 x63425
Fax (510) 582-0964

Tuesday, February 17, 2015

To whom it may concern:

My name is Tayson Bui, and I have been teaching the Freshmen Preparation for College & Careers class for the past three years at Tennyson. I am writing you this letter to voice my strong support for the Peer Advocates program at Tennyson High School. I support the Peer Advocates for both the scope of their impact and the depth of development that the Peer Advocates program helps foster.

In terms of the wide-ranging scope of the impact of the Peer Advocates, almost every single freshman at Tennyson High School has experienced some sort of positive interaction with the Peer Advocates. Whether this is in their health class or through panels and presentations, the Peer Advocates bring to our students pertinent information from a friendly face.

While the Peer Advocates appear to focus mainly on health issues, many teachers and classes have benefitted from the program. For example, in my Preparation for College & Careers class, students plan their future, research careers, and develop the skills necessary to succeed in high school and beyond. When students were planning their 4- and 10-year plans, the Peer Advocates helped students understand the hard work required to become a parent—at any age, especially for a teenager. The Peer Advocates organized a panel and facilitated an in-depth discussion that helped my students understand the impact of a good education on their future family. The Peer Advocates have also led healthy relationship workshops that my students are deeply interested in. These workshops are great introductions to topics like gender roles and norms that my classes discuss. One can easily see how the Peer Advocates can bring relevance to topics across the curriculum.

In terms of the development of the students who partake in their program, I have personally seen a profound growth. Because I teach freshmen, I am in a unique position to see students grow throughout their high school years, and some of the Peer Advocates who were once shy as freshmen now lead in facilitating discussions for the workshops and in their classes. The projects that the Peer Advocates have to undertake challenges students to be outspoken leaders in and out of their classrooms. Additionally, the skills they gain through the program are probably the best preparation for college that they could get.

It's amazing to see how a program like the Peer Advocates enthruses students to be engaged in their school. When applications for Peer Advocates are available in the fall, students run around asking for teacher recommendations hoping to get the coveted spot.

(As a bonus, students applying for the program always come back to me and get help updating their resumes that they created in my class. This enables me to tell my

new students that there is an opportunity like this for students like them, and this motivates students to work hard on one of the biggest assignments in my class.)

Students at Tennyson need the opportunity to continue to interact with Peer Advocates, and students also need the opportunity to take on the leadership roles that the program offers. Again, with this letter, I voice my strong support for the Peer Advocates program.

Best,
Tayson Bui
Prep for College & Journalism Teacher
Tennyson High School
(510) 723-3190 x63263
tabui@husd.k12.ca.us



SOUTH HAYWARD PARISH
27287 Patrick Avenue
Hayward, CA 94544
510 782-5795
Southhaywardparish.org

February 11, 2015

Rachael McNamera, Administrative Analyst
City of Hayward Community Services

RE: Appeal of Community Services Commission's Draft recommendation of no funding for South Hayward Parish request of \$30,000 for the Emergency Food Pantry.

In the current fiscal year the South Hayward Parish (the Parish) will provide groceries for over 8,000 unduplicated Hayward residents ranging in age from infants to octogenarians. We are most grateful for the Alameda County Food Bank scholarship provided to the Parish through the Commission's draft recommendation. However loss of direct Hayward funding will seriously affect the Parish's ability to meet administrative cost for the Food Pantry program.

With the use of donor appeals, corporation partnership, grocery rescue programs, congregational support and FEMA grants the Parish has been able to keep pace with the increased demands for food. However we have depended on the City of Hayward grant to assist in meeting some of the administrative cost of operation; the most difficult funding to acquire.

The Emergency Food Pantry requires a minimum of one half-time staff person and the employment cost associated with the position, fuel, up keep, and insurance for the van used to transport food, bookkeeping services, occupancy costs, and the liability insurance and audit cost as required by the City.

We hope that the Commission will reconsider its draft recommendation regarding funding for the South Hayward Parish Emergency Food Pantry.

Thank you

Susan Merrill
Executive Director

South Hayward Congregations
United Church of Hayward–South Hayward United Methodist–Congregation Shir Ami
Starr King Unitarian Universalist – St. Clement Roman Catholic–Good Shepherd Lutheran
New Bridges Presbyterian

FY 2016 SIGNED APPLICATION

SECTION I. ADMINISTRATION	
1. Applicant Name:	South Hayward Parish
2. Program Name:	Emergency Food Program (Pantry)
3. Street Address:	27287 Patrick Avenue
4. Contact Name:	Sue Merrill
6. Contact Email:	susan.merrill@gmail.com
City, State, Zip:	Hayward CA 94544-4405
5. Contact Phone:	510-785-3663
SECTION II. ELIGIBILITY	
7. Is the Applicant a fiscal agent for another organization?	Yes
Please provide the name of that organization: Community Action Network	
8. Is Applicant currently an IRS-approved non-profit entity?	Yes
9. Is Applicant currently a State of CA-approved nonprofit entity?	Yes
10. Has Applicant completed a fiscal audit within the past 12 months? (Attach a FY 2012-2013 independent fiscal audit, below)	Yes
Did the audit contain any findings?	No
SECTION III. BUDGET	
11. What is the total organizational/agency budget? (Attach a board-approved, line-item, agency-wide budget)	\$250,451
12. What is the total cost of the proposed program or project? (Attach a program budget to include expenditures and anticipated revenue sources)	\$89,418
13. Of that total, what amount is being requested from the City of Hayward? (Minimum grant amount is \$10,000)	\$30,000
What percentage of the proposed project budget is requested from Hayward?	33%
SECTION IV. PROGRAM	
14. This application requests funding for an activity in the following category and subcategories:	
Services	
<input type="checkbox"/> Arts and Music	
<input checked="" type="checkbox"/> Crises Prevention and Intervention	
<input type="checkbox"/> Education and Youth Services	
<input checked="" type="checkbox"/> Health and Wellness	
<input type="checkbox"/> Housing Services	
<input checked="" type="checkbox"/> Services for Seniors and People with Disabilities	
<input type="checkbox"/> Transportation	
15. How many years has the service organization been providing the proposed services?	38
16A. How many unduplicated low-income Hayward residents would directly benefit in FY 15-?	8,000
SECTION V. NARRATIVE QUESTIONS Responses may not exceed the maximum words permitted.	
17. Please describe the proposed activities and identify the Hayward City Council Priority those services most directly support. Activities that clearly support one or more of the City Council Priorities will be more competitive than those that do not.	
The South Hayward Parish will provide emergency food for 8000 unduplicated low-income Hayward residents. National statistics indicate the 15% of the United States' population lives at or below poverty level. If we apply that statistic to Hayward's population, 37% of Hayward residents that live at or below poverty level will come to the food pantry to meet their basic dietary needs. Residents will obtain a nutritionally balanced short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products, and protein items as available.	

Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the New Bridges Outreach Center, 27287 Patrick Ave., Hayward, CA 94544. Nutrition education, cooking classes and the availability of fresh fruits and vegetables for low income Hayward families will fight obesity among the city's youth and continue to implement the 'Healthy City' program

18. Are there any spin-off benefits the proposed activities would produce that would serve the broader community? If so, please describe them. Applications that produce spin-off benefits that clearly support one or more of the City Council Priorities will be more competitive than those that do not.

Many Parish clients have indicated that they must often choose between buying groceries and paying the rent. The South Hayward Parish Food Pantry makes it possible for them to do both; avoid homelessness and still feed their families. Keeping families in their homes will assist in abating homeless encampments and work toward the elimination of homelessness in Hayward. We partner with the Alameda County Food Bank to present nutrition training for healthy eating for children and families. Cooking classes are held at least monthly to demonstrate the use of produce available through the Pantry. We are the site of the Alameda County Food Bank Hub distribution of fresh produce for the Hayward Union City area. Other smaller food pantries who might not have the staff/fuel to make the drive to Oakland, come each Wed. morning to take advantage of fresh fruit and vegetables offered. We also invite other food pantries to come to any trainings we offer thereby spreading the Healthy City goals.

19. Describe efforts the applicant agency has made to diversify sources of revenue (i.e., match funding)

The Parish applies to FEMA annually as well as other non-governmental agencies and grant makers such as Kaiser Permanente, the San Francisco Foundation, the Long Foundations, and California Wellness Foundation. The members of our Board of Directors and the faith communities that they represent are regular contributors. We do periodic general fundraising from the community at large and host at least one major fundraising event each year. The Parish ability to provide food for an increasing number of families in the face of decreasing funds is only possible because of the numbers of commercial businesses in the Hayward area that have become in-kind contributors to the effort. Without folk like Panera's Bread, Peet's Coffee, two Target stores, two Food Max outlets, Big Apple Bagels, Sara Lee, and others who provide in-kind 'revenue' the work would not be possible.

20. Describe how the proposed activities strengthen community collaboration. List proposed local agency partners, aspect of service delivery each agency partner will provide, and each agency's portion of the proposed budget, if any. (Attach letters of collaboration if applicable). Collaborative applications submitted by strategic partnerships of two or more agencies are acceptable and are strongly encouraged.

The Parish works closely with any agency that deals with food distribution to low income folk. The distribution Hub (#18 above) makes it possible for other small pantries to offer fresh produce to their clients. We share donations when ever possible. All training events/classes are publicized in the community and open to all.

21. Please explain how the Applicant would verify, document, and report that 100% of the clients benefiting from the City's funding would be low-income Hayward residents?

The Parish keeps complete intake information records of its clients both in hard copy and on a computer database. Reports can be generated as required on client age, ethnicity, economic status, frequency of visits, and homelessness. A housing survey is conducted each quarter to determine what percentage of clients are living with unrelated persons; i.e. those who could be in danger of being homeless..

Attachments

- 2012-2013 Audit [Audit 2012-2013.pdf](#)
- Program Budget [SOUTH HAYWARD PARISH FOOD PANTRY BUDGET ALONE 15-16.docx](#)
- Agency Budget [SHPBudget 2015 2016.xlsx](#)
- Collaboration Agreement
- Other

Program Manager Signature	Susan W. Merrill
Date Signed	10/23/2014

SOUTH HAYWARD PARISH FOOD PANTRY BUDGET

FY 2015-2016

INCOME:

FEMA grant/food purchase	\$20,000
City of Hayward	\$30,000
Kaiser Permanente Foundation	\$5,000
Foundations	\$10,000
Donations/Fundraising	\$15,000
Bequest	\$9,857
SUB- TOTAL	\$89,857

PERSONNEL

Food Pantry Director ,5FTE	\$26,580
Admin Assistant .5FTE	\$12,480
Payroll Taxes	\$5,889

OPERATION COSTS

Audit	\$1,833
Contracted Service	\$667
Food Purchase	\$30,000
Consumable Supplies	\$200
Equipment/Purchase/Maint.	\$1,000
Fundraising	\$600
Insurance	\$2,566
Printing	\$200
Occupancy Cost	\$7,200

TOTAL BUDGET \$89,481

FY 2015 SIGNED CONTRACT BUDGET

FY2014-15: Budget (Exhibit B)

Code	Item	%FTE	FY2014-15 City of Hayward Allocation Budget
Salaries			
	Subtotal Salaries		\$0
Benefits			
9721	Social Security (FICA & Medicare) @ 7.65 %		\$0
9722	Medical		\$0
9723	Worker Compensation		\$0
9724	State Unemployment (SUI)		\$0
	Subtotal Benefits		\$0
B. Operations			
9730	Maintenance		\$0
9731	Service Contract - Garbage		\$0
9732	Utilities		\$0
9740	CDBG Sub-Grantee Service & Supplies		\$0
9741	Consumable Supplies		\$15,000
9742	Field Supplies		\$0
9743	Rental		\$0
9744	Special Services		\$0
9745	Dues & Publications		\$0
9746	Insurance		\$0
9747	Mileage		\$0
9748	Staff Training		\$0
7251	Loans and Grants		\$0
	Subtotal Operations		\$15,000
C. Other Costs			
	Retirement		\$0
	Communications		\$0
	Professional Services		\$0
	Tax & License		\$0
	Administrative Overhead – Indirect		\$0
	Subtotal Other		\$0
	Total Program Budget		\$15,000
	Approved Funding Amount		\$15,000

The items below are modified only by City Staff:

Category: Social Services
 Application Type: General Low-Income Services

Program Manager Signature: Susan W. Merrill
 Date Signed: 06/02/2014

Approval Signature: Grace Kong
 Date Signed: 06/02/2014

Initially submitted: Sep 24, 2012 - 8:03:23

Program: Emergency Food Program (Pantry)

Agency: South Hayward Parish

Agreement Source Document

Program Name: Emergency Food Program (Pantry)
Agency Name: South Hayward Parish
Agency Site Address: 27287 Patrick Avenue
Agency City, State, Zip: Hayward CA 94544-4405
Agency Phone: 510 785-3663
Agency Email: susan.merrill@gmail.com
Director Name: Sue Merrill
Director Phone: 510-785-3663
Director Email: susan.merrill@gmail.com
Program Site Address: 27287 Patrick Avenue
Program City, State, Zip: Hayward CA 94544-4405
Program Phone: 510 785-3663
Program Fax: 510 782-1031
Program Website: southhaywardparish.org
Manager Name: Sue Merrill
Manager Title: Food Coordinator
Manager Phone: 510-785-3663
Manager Email: susan.merrill@gmail.com
Finance Contact: Nancy Tejada
Finance Phone: 510-999-0062
Finance Email: ntejada510@gmail.com
Additional Contacts?: 1

Contact: Sue Merrill
Title: Executive Director
Phone: Cell: 510 785-3663
Email: susan.merrill@gmail.com

Project Description: The South Hayward Parish will provide emergency food for 5000 unduplicated low-income Hayward residents. Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA 94544

Employer Tax ID#: 94-2250549
DUNS #: 832028232

Statement of Work

Hayward Unduplicated Client Goal: 6000
Program Description: The South Hayward Parish will provide emergency food for 6000 unduplicated low-income Hayward residents. Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA 94544

Location and Hours of Operation: Westminster Hills Outreach Center 27287 Patrick Ave., Hayward CA 94544
 Weekly, Tuesday through Friday 3:00 - 5:30 PM

Quantitative Goals

Qty	Units	Description
6000	unduplicated low income Haywar residents	Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA

FY 2014 SIGNED CONTRACT BUDGET

FY2013-14: Budget (Exhibit B)

Code	Item	%FTE	FY2013-14 City of Hayward Allocation Budget
Salaries			
Subtotal Salaries			\$0
Benefits			
9721	Social Security (FICA & Medicare) @ 7.65 %		\$0
9722	Medical		\$0
9723	Worker Compensation		\$0
9724	State Unemployment (SUI)		\$0
Subtotal Benefits			\$0
B. Operations			
9730	Maintenance		\$0
9731	Service Contract - Garbage		
9732	Utilities		\$0
9740	CDBG Sub-Grantee Service & Supplies		
9741	Consumable Supplies		\$12,201
9742	Field Supplies		\$0
9743	Rental		\$0
9744	Special Services		\$0
9745	Dues & Publications		\$0
9746	Insurance		\$0
9747	Mileage		\$0
9748	Staff Training		\$0
7251	Loans and Grants		
Subtotal Operations			\$12,201
C. Other Costs			
Retirement			
Communications			
Professional Services			
Tax & License			
Administrative Overhead - Indirect			
Subtotal Other			\$0
Total Program Budget			\$12,201
Approved Funding Amount			\$12,201

The items below are modified only by City Staff:
 Category: Social Services
 Application Type: General Low-Income Services

Program Manager Signature: Susan.merrill
 Date Signed: 07/31/2013

Approval Signature: Grace Kong
 Date Signed: 07/25/2013

Approval Modified By: Grace Kong
 Date Signed: 07/31/2013

Program: Emergency Food Program (Pantry)

Agency: South Hayward Parish

Agreement Source Document

Program Name: Emergency Food Program (Pantry)
Agency Name: South Hayward Parish
Agency Site Address: 27287 Patrick Avenue
Agency City, State, Zip: Hayward CA 94544-3759
Agency Phone: 510 785-3663
Agency Email: susan.merrill@gmail.com
Director Name: Sue Merrill
Director Phone: 408-859-3469
Director Email: susan.merrill@gmail.com
Program Site Address: 27287 Patrick Avenue
Program City, State, Zip: Hayward CA 94544
Program Phone: 510 785-3663
Program Fax: 510 782-1031
Program Website: southhaywardparish.org
Manager Name: Ralph Morales
Manager Title: Food Coordinator
Manager Phone: 510-785-3663
Manager Email: susan.merrill@gmail
Finance Contact: Nancy Tejada
Finance Phone: 510-999-0062
Finance Email: ntejada510@gmail.com
Additional Contacts?: 1

Contact: Susan Merrill
Title: Executive Director
Phone: Cell 510 785-3663
Email: susan.merrill@gmail.com

Project Description: The South Hayward Parish will provide emergency food for 5000 unduplicated low-income Hayward residents. Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA 94544

Employer Tax ID#: 94-2250549
DUNS #: 832028232

Statement of Work

Hayward Unduplicated Client Goal: 5000
Program Description The South Hayward Parish will provide emergency food for 5000 unduplicated low-income Hayward residents. Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA 94544

Location and Hours of Operation Westminster Hills Outreach Center 27287 Patrick Ave., Hayward CA 94544
 Weekly, Tuesday through Friday 3:00 - 5:30 PM

Quantitative Goals

Qty	Units	Description
5000	unduplicated low income Haywar residents	Residents will obtain a nutritionally balanced, short-term (2-3 days) food supply with special emphasis on fresh fruits and vegetables, whole grain products and protein items as available. Food will be distributed Tuesday through Friday from 3:00PM to 5:30PM each week at the Westminster Hills Outreach Center 27287 Patrick Ave. Hayward, CA

DATE: April 21, 2015

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Resolution of Intention to Create Proposed Community Facilities District (CFD No. 3) Intended to Finance Police and Fire Protection Services in the South Hayward BART Area; Resolution of Intention to Annex Identified Properties Into the Existing Community Facilities District No. 2 in the Cannery Place Area; and Introduction of Ordinance Levying Special Tax Within the Existing Community Facilities District No. 2 in the Cannery Place Area.

RECOMMENDATION

That Council

1. Approves the attached resolutions of intention to form the CFD for the South Hayward BART Area (CFD No. 3) and annex the Libitzky and Burbank Residual sites into the existing Cannery Place Area (CFD No. 2); and
2. Approves the introduction of the ordinance to levy a special tax within the existing Cannery Place Area (CFD No. 2).

BACKGROUND

CFDs are created by local governments in California under State authorizing legislation known as the Mello-Roos Community Facilities Act of 1982, California Government Code 53311 et. seq. (Act) and may also be created by charter cities by ordinance. The Act provides financing for certain public capital facilities and services eligible under the Act.

The City has approved a major development, the South Hayward BART Transit-Oriented Development (TOD) Project, located directly across from the South Hayward BART station between Dixon Street and Mission Boulevard. The Developers, Eden Housing and AMCAL Communities, and the City, have been working together to assure the success of this Project. The Project includes the development of 357 units, comprised of 206 market rate apartments and 151 affordable apartments. The Developers and the City have agreed through an Owners Participation Agreement on the use of a CFD to assure the delivery of police and fire protection services to the project area in perpetuity.

Additionally, in 2009 Cannery Place (CFD No.2) was formed in the City's Downtown former Redevelopment Area and it included two future annexation sites: the Residual (former) Burbank School Site, which is currently being developed by HAYPCR, LLC with 57 single-family detached homes; and the Libitzky warehouse site, which was recently purchased by Tri-Pointe Homes and is entitled for development of 105 townhomes and 52 single-family detached units.

The City is working with the respective developers to facilitate the appropriate annexation process into CFD No. 2.

The CFD Team consists of the city's current financial advisor, NHA Advisors, as well as Goodwin Consulting Group as special tax consultant, and Jones Hall as special legal counsel, and senior City staff. The Finance Team has been working with the Developers to form CFD No. 3 and the CFD No. 2 annexations.

DISCUSSION

South Hayward BART TOD Area CFD No. 3

Purpose of the South Hayward BART CFD – The objective of CFD No. 3 is to create a funding source for police and fire protection services required to meet the demands of this new development. As required under the Act, the police and fire services to be provided are in addition to those currently provided within the CFD No. 3 boundary and will not supplant services already available. The City has determined that the new development will create an additional cost burden to provide police and fire protection services beyond that which is currently available. The Council has received petitions from the land owners of the South Hayward BART TOD development requesting that the City proceed with the establishment of a CFD that would specifically fund the eligible costs.

Determination of CFD Boundary – The CFD No. 3 boundary includes the property owned by AMCAL and Eden Housing and is the area of land across Dixon Street from the South Hayward BART station property extending to Mission Boulevard. The South Hayward BART area development has approval for approximately 357 residential units, all which would be within the CFD boundary.

Proposed Special Tax Rates – For the South Hayward BART TOD Project, the maximum annual tax rate is set at \$484.00 per residential Market-Rate Unit and Affordable Unit beginning in July 2016. For market-rate properties, beginning July 2016, and each July 1 thereafter, Maximum Special Tax per Market-Rate Unit for the prior fiscal year shall be increased by a percentage equal to the lesser of the increase, if any, from the prior fiscal year (April to April) in the Bay Area Consumer Price Index (CPI) or 2%.

For affordable properties, beginning July 2016, and each July 1 thereafter in which the Residential Receipt Amount exceeds \$0, the Base Affordable Maximum Special Tax for the prior fiscal year shall be increased by a percentage equal to the lesser of the increase, if any, from the prior fiscal year (April to April) in the Bay Area Consumer Price Index (CPI) or 2%. The tax will be levied annually, and collected in the same manner as regular property taxes.

The Rate and Method of Apportionment (RMA) outlines the methodology used to calculate these taxes due for all parcels of taxable properties in the district boundaries, after a Certificate of Occupancy has been issued by the City. Government-owned properties and vacant land are not subject to the tax.

Process to Create CFD No. 3

The following steps are necessary to create CFD No. 3:

1. City has received petitions from the owners of at least 10% of the area of land, requesting the formation of a CFD to assure that police and fire protection services meet the demands of this new development. In the petitions, the property owners, as the eligible voters in CFD No. 3, also waive otherwise applicable election waiting periods and procedures.
2. Council adopts the “Resolution of Intention to Establish Community Facilities District No. 3” which establishes the CFD No. 3 boundaries. This action formally starts the formation process and sets the public hearing date for May 26, 2015. This resolution also approves the RMA, subject to voter approval.
3. Staff and the Finance Team complete the following: record the CFD No. 3 boundary map, publish the notice of public hearing, and prepare the CFD Report outlining the services and costs to be financed by the CFD.
4. Council holds a public hearing on Tuesday, May 26, 2015. During this public hearing, the Council hears any protests against the formation of the CFD No. 3.
5. After the public hearing on May 26, 2015, the Council takes the following action:
 - Adopt the “Resolution of Formation” of CFD No. 3.
 - Adopt the “Resolution Calling the Special Land Owner Election.”
 - Hold the landowner election and canvass the results of the election. A two-thirds vote of those voting at the election (based on a one voter per acre basis) is required to approve the special taxes.
 - Adopt the “Resolution Confirming Results of the Election and Directing Recording of the Notice of Special Tax Lien.”
 - Introduce the “Ordinance Ordering the Levy of Special Taxes.”
6. Council will approve the Ordinance after the second reading and the Special Tax will be effective 30 days thereafter.

Cannery Place CFD No. 2 Annexation Sites

Purpose of the Cannery Place CFD and annexation properties – The objective of CFD No. 2 was to create a funding source for police services required to meet the demands of the Cannery Place development. As required under the Act, the police services provided are in addition to those originally provided within the CFD No. 2 boundary and do not supplant services already available. The City has determined that annexation of the future annexation sites will create an additional cost burden to provide police services in the annexation properties. The Council has received petitions from the land owners of the annexation properties requesting that the City proceed with the annexation to CFD No. 2 to fund the eligible costs.

Determination of CFD Boundary – The CFD No. 2 boundary currently includes the property owned by Citation Homes and Weyerhaeuser Realty Investors; east of the Southern Pacific Railroad tracks, within the streets of Filbert, Myrtle, Meek, and Winton Avenue, south of the Burbank Elementary School.

Cannery Place CFD No. 2 Annexation Sites – There are two identified annexation areas: 1) the residual (previous) Burbank School site, owned by HAYPCR, LLC; and 2) the large parcel west of Filbert Street, owned by Tri-Pointe Homes, Inc. (Libitzky site). Currently HAYPCR, LLC is developing 57 units on the Burbank Residual site and Tri-Point Homes is developing 167 units on the Libitzky site. As initially established during the formation of CFD No. 2, future development of these sites was conditioned upon the landowners agreeing to pay for public services through a community facilities district. The future annexation areas will be annexed to CFD No. 2 only if there is unanimous approval of the owners of each parcel at the time of the annexation.

Proposed Special Tax Rates – For the Residual Burbank Site, the maximum annual tax rate is set at \$439.91 per residential Market-Rate Unit and Affordable Unit beginning in FY 2016. For market-rate and affordable properties, beginning July 2016, and each July 1 thereafter, Maximum Special Tax per Market-Rate Unit for the prior fiscal year shall be increased by a percentage equal to the greater of the increase, if any, from the prior fiscal year (April to April) in the Bay Area Consumer Price Index (CPI) or 4%.

For the Libitzky Site, the maximum annual tax rate is set at \$432.64 per residential Market-Rate Unit and Affordable Units for single family detached units and \$284.76 for single family attached units and \$245.49 per Multi-Family Units beginning in FY 2016. For market-rate and affordable properties, beginning July 2016, and each July 1 thereafter, Maximum Special Tax per Market-Rate Unit for the prior fiscal year shall be increased by a percentage equal to the greater of the increase, if any, from the prior fiscal year (April to April) in the Bay Area Consumer Price Index (CPI) or 4%.

The Rate and Method of Apportionment (RMA) outlines the methodology used to calculate these taxes due for all parcels of taxable properties in the district boundaries, after a Certificate of Occupancy has been issued by the City. Government-owned properties and vacant land are not subject to the tax.

Process to Annex Sites into CFD No. 2

The following steps are necessary to annex the future annexation areas to CFD No. 2:

1. The City has received a Unanimous Approval from each of HAYPCR, LLC and Tri-Pointe Homes, approving the annexation of the future annexation areas to CFD No. 2.
2. Council adopts A Resolution Approving the Annexation of Property Located in a Future Annexation Area on April 21, 2015.
3. A first reading of the Ordinance of the City of Hayward Levying Special Tax Within Community Facilities District takes place on April 21, 2015.
4. A second reading of the Ordinance of the City of Hayward Levying Special Tax Within Community Facilities District takes place on April 28, 2015.
5. Amendment No. 1 to Notice of Special Tax Lien, dated as of April 21, 2015, is recorded promptly after April 21 meeting.

Local Goals and Policies

The Government Code requires the local agency to adopt Local Goals and Policies prior to initiating a Mello-Roos District. In October 2001 (at the time the Eden Shores CFD (CFD No. 1) was created, the City adopted these Goals and Policies and incorporated them into the Hayward Municipal Code ([Article 17 - LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS](#)). Local Goals and Policies provide guidance by: 1) establishing the City's priorities for the financing of public facilities and public services using community facilities districts; 2) defining the public services eligible to be financed by the City using the community facilities districts; 3) defining the public facilities eligible to be financed by the City using community facilities districts; and (4) outlining bond issue requirements, and other procedures relating to special tax financings. These goals were updated in 2009 during the formation of CFD No. 2. The City's bond counsel has confirmed that the Local Goals and Policies comply with the Mello-Roos Act and are consistent with best practices.

CFD Administrative Requirements – On an annual basis the City will need to confirm the special tax rates to be applied within CFD No. 3 and the CFD No. 2 annexation properties, including application of the escalation rate, and enroll the taxes with the County Auditor-Controller. When the City collects the special taxes, certain accounting measures will be required to ensure that the revenues are not commingled with City funds used to pay for other City operating costs. If property owners are delinquent in the payment of special taxes, the City may decide to foreclose on such property owners in a process separate from County foreclosure process for ad valorem delinquencies. Costs to administer CFD No. 3 and the CFD No.2 annexations, including any foreclosure action, are paid from the special taxes revenues.

FISCAL AND ECONOMIC IMPACT

The City expects to fund additional police protection services from special taxes collected in the CFD #2 annexation areas and additional police and fire protection services from the CFD No. 3 special taxes collected. The City has issued a total of 57 building permits for units to date within the CFD No. 2 annexation area and permits for 357 units for CFD No. 3 boundaries. The planned full build-out according to the associated final maps and project entitlements includes a total of 417 residential market rate units and 154 affordable units (571 units total at build out). If full build-out is achieved the City projects the tax (before any annual escalators) to generate about \$250,261 per year based on the FY 2015 rates. These rates are subject to an annual growth rate based on the Bay Area CPI. The City expects full build out to occur this year for the Residual Burbank school site, by 2017 for the Tri Pointe Homes site, and by 2017 for the South Hayward BART TOD project.

PUBLIC OUTREACH

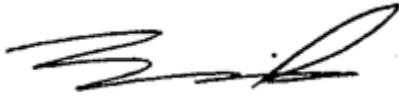
Discussions regarding the formation of community facilities districts and the recommended formation of a new CFD No. 3 for the South Hayward BART TOD Project and the annexation of the identified sites into CFD No. 2 were discussed with the Council Budget & Finance Committee on December 8, 2014 and briefly on March 13, 2015; and during a Work Session on CFD formation with City Council on February 3, 2015. Issues and concerns raised in those sessions have been addressed in this report as they relate to the specific Districts discussed.

NEXT STEPS

If the Council approves the Resolution of Intention to Form CFD No. 3 on April 21, 2015, and the Public Hearing is held May 26, 2015; identified annexations into CFD No. 2 will be established on April 21, 2015, with a legally effective authority to levy special taxes on or about August 2016. The City will prepare the tax levy and submit to the County by the August due date, in order to receive FY 2016 taxes.

Recommended by: Tracy Vesely, Director of Finance
David Rizk, Director of Development Services

Approved by:



Fran David, City Manager

Attachments:

- I. Draft Resolution of Intention for CFD No. 3
 - Exhibit A: Description of Services
 - Exhibit B: Rate and Method of Apportionment
- II. CFD No. 3 Boundary Map
- III. Resolution of Annexation for CFD No. 2
- IV. Annexation Ordinance for CFD No. 2
- V. Amended Notice of Special Tax Lien for the Annexation Sites
- VI. Adopted Local Goals & Policies

HAYWARD CITY COUNCIL

RESOLUTION NO. 15 _____

Introduced by Council Member _____

RESOLUTION OF INTENTION TO ESTABLISH
COMMUNITY FACILITIES DISTRICT

RESOLVED, by the City Council (the "Council") of the City of Hayward (the "City"), County of Alameda (the "County"), and State of California that:

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), this Council is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received petitions from the owners of not less than 10% of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of such community facilities district to finance costs of certain services required to meet the demands of development of lands in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAYWARD THAT:

SECTION 1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act.

SECTION 2. Name of CFD. The name proposed for the community facilities district is "City of Hayward Community Facilities District No. 3 (South Hayward BART TOD Project)" (the "CFD").

SECTION 3. Boundaries Described. The proposed boundaries of the CFD are as shown on the map of it on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD in the office of the County Recorder within 15 days of the date of adoption of this Resolution.

SECTION 4. Services. The type of services proposed to be financed by the CFD and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (the "Services"). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD. The Services are in addition to those provided in the

territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

SECTION 5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the “Special Tax”) sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the “Rate and Method”). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

SECTION 6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax.

SECTION 7. Election. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD not exempt from the special tax.

SECTION 8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the “CFD Report”), which shall be a part of the record of the public hearing hereinafter specified and which report shall present the following:

- (a) A description of the Services that will be required to adequately meet the needs of the CFD.
- (b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

SECTION 9. Public Hearing. Tuesday, May 19, 2015, at 7:00 p.m. or as soon as possible thereafter, in the City Hall, Council Chambers, 777 B Street, Hayward, California, be,

and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax.

SECTION 10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least 7 days before the date of the public hearing specified above.

The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner’s address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing.

The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

SECTION 11. Appointment of Legal Counsel. The City Council hereby appoints (i) Jones Hall, A Professional Law Corporation, as legal counsel to the City in connection with formation of the CFD, and (ii) Goodwin Consulting Group, Inc., as special tax consultant to the City in connection with formation of the CFD. The City Manager is hereby authorized to execute a legal services agreement with each of these firms in substantially the form and substance of the agreements on file with the City Clerk.

SECTION 12. Effective Date. This resolution shall take effect upon its adoption.

IN COUNCIL, HAYWARD, CALIFORNIA APRIL 21, 2015

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

EXHIBIT A

CITY OF HAYWARD
Community Facilities CFD No. 3
(South Hayward BART TOD Project)

DESCRIPTION OF SERVICES

The captioned Community Facilities District will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves for replacement of vehicles, equipment and facilities:

- (a) Police protection services.
- (b) Fire protection and suppression services, and ambulance and paramedic services.

EXHIBIT B

CITY OF HAYWARD
Community Facilities CFD No. 3
(South Hayward BART TOD Project)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT B

CITY OF HAYWARD COMMUNITY FACILITIES DISTRICT NO. 3 (SOUTH HAYWARD BART TOD PROJECT)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in the City of Hayward Community Facilities District No. 3 (South Hayward BART TOD Project) shall be levied and collected according to the tax liability determined by the City or its designee, through the application of the appropriate amount or rate for Residential Property, as described below. All Residential Property in the CFD, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate rate and method of apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Unit” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means the following actual or reasonably estimated costs directly related to the administration of the CFD: the costs of computing Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting Special Taxes (whether by the City or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Tax; the costs of the City, CFD No. 3, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 3 for any other administrative purposes of the CFD.

“Administrator” means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of Special Taxes.

“Affordable Developer” means Eden Housing Corporation, a California nonprofit public benefit corporation and its successors and assigns, as party to the Owner Participation Agreement.

“Affordable Unit” means a Dwelling Unit within the CFD that is part of an Affordable Development, as defined in the Owner Participation Agreement.

“Affordable Property” means, in any Fiscal Year, all Parcels: (i) for which a certificate of occupancy was issued by the City on or prior to June 1 of the preceding Fiscal Year for one or more Affordable Units, and (ii) on which there are no Market-Rate Units.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” or **“APN”** means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by the CFD as set forth in the documents adopted by the Council when the CFD was formed.

“Base Affordable Maximum Special Tax” means, for each Fiscal Year, the Special Tax determined in accordance with Section C.1.a.

“Calculated Affordable Maximum Special Tax” means, for each Fiscal Year, the Special Tax determined in accordance with Section C.1.b.

“CFD” or **“CFD No. 3”** means the City of Hayward Community Facilities District No. 3 (South Hayward BART TOD Project).

“City” means the City of Hayward.

“Council” means the City Council of the City, acting as the legislative body of CFD No. 3.

“County” means the County of Alameda.

“Dwelling Unit” means an individual single-family detached unit, an individual residential unit within a duplex, halfplex, triplex, fourplex, townhome, live/work or condominium structure, or an individual mobile home or apartment unit. An Accessory Unit shall not be considered a separate Dwelling Unit for calculation of the Maximum Special Tax for the Parcel.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Housing Authority Loan Documents” means the Housing Authority Loan Agreement and the Loans Regulatory Agreement, as defined in the Owner Participation Agreement, together

with the deeds of trust, the promissory note, a notice of affordability restrictions, and any other document or agreement evidencing a loan to the Affordable Developer.

“Market-Rate Unit” means a Dwelling Unit within CFD No. 3 that is not an Affordable Unit.

“Market-Rate Property” means, in any Fiscal Year, all Parcels: (i) for which certificates of occupancy were issued by the City on or prior to June 1 of the preceding Fiscal Year for one or more Market-Rate Units, and (ii) on which there are no Affordable Units.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

“Mixed-Unit Property” means, in any Fiscal Year, all Parcels for which certificates of occupancy were issued by the City on or prior to June 1 of the preceding Fiscal Year for one or more Affordable Units and one or more Market-Rate Units.

“Owner Participation Agreement” means the agreement by that name, between the City and Eden Housing, Inc., Wittek Development, LLC, Montana Property Group, LLC, and Big Sky Holdings, LLC, including subsequent amendments approved by the City, as originally dated June 19, 2012 and as updated from time to time.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Residential Property.

“Public Property” means, for each Fiscal Year: (i) any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of the CFD that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Property” means, collectively, Affordable Property, Market-Rate Property, and Mixed-Unit Property.

“Residual Receipt Amount” means, for each Fiscal Year, the amount of Residual Receipts, as defined in the Housing Authority Loan Document, that the City determines the Affordable Developer is permitted to retain under the Housing Authority Loan Documents.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Special Tax” means a special tax levied pursuant to the Act in any Fiscal Year to pay the Special Tax Requirement.

“**Special Tax Requirement**” means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year.

B. DATA COLLECTION FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Residential Property within the CFD. The Administrator shall also determine: (i) the number of Affordable Units and/or Market-Rate Units on each Parcel of Residential Property; (ii) the Residual Receipt Amount, and (iii) the Special Tax Requirement for the Fiscal Year.

In any Fiscal Year, if it is determined that (i) a final map or parcel map for a portion of property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the final map or parcel map was recorded, the Assessor does not yet recognize the new parcels created by the final map or parcel map, and (iii) one or more of the newly-created parcels meets the definition of Residential Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the final map or parcel map by determining the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the final map or parcel map.

C. MAXIMUM SPECIAL TAXES

I. *Affordable Property*

For each Fiscal Year, the Maximum Special Tax for Affordable Property shall be the lesser of (i) the Base Affordable Maximum Special Tax; or (ii) the Calculated Affordable Maximum Special Tax.

a. Base Affordable Maximum Special Tax

The Base Affordable Maximum Special Tax for Parcels of Affordable Property shall be \$484 per Affordable Unit for Fiscal Year 2015-16. Beginning in Fiscal Year 2016-17 and each Fiscal Year thereafter in which the Residual Receipt Amount exceeds \$0, the Base Affordable Maximum Special Tax for the prior Fiscal Year shall be increased by a percentage equal to the lesser of (i) the increase, if any, from the prior Fiscal Year in the Consumer Price Index (CPI) for All Urban Consumers published by the U.S. Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area, or any successor thereof; or (ii) two percent (2%). The CPI used shall be determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2015 to April 2016.

If the Residual Receipt Amount is \$0 in any Fiscal Year, the Base Affordable Maximum Special Tax for the then-current Fiscal Year shall equal the Base Affordable Maximum Special Tax for the prior Fiscal Year.

b. Calculated Affordable Maximum Special Tax

For each Fiscal Year, the Calculated Affordable Maximum Special Tax for each Affordable Unit in the CFD shall be determined by (i) multiplying the Residual Receipt Amount for the Fiscal Year by 50%, and (ii) dividing by the total number of Affordable Units on all Parcels of Residential Property in the CFD.

2. *Market-Rate Property*

The Maximum Special Tax for Parcels of Market-Rate Property shall be \$484 per Market-Rate Unit for Fiscal Year 2015-16. Beginning in Fiscal Year 2016-17 and each Fiscal Year thereafter, the Maximum Special Tax per Market-Rate Unit for the prior Fiscal Year shall be increased by a percentage equal to the lesser of (i) the increase, if any, from the prior Fiscal Year in the Consumer Price Index (CPI) for All Urban Consumers published by the U.S. Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area, or any successor thereof; or (ii) two percent (2%). The CPI used shall be determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2015 to April 2016.

3. *Mixed-Unit Property*

For each Fiscal Year, the Maximum Special Tax for Parcels of Mixed-Unit Property shall be the sum of the Maximum Special Taxes determined for each Affordable Unit on the Parcel by application of Section C.1 and the Maximum Special Taxes determined for each Market Rate Unit by application of Section C.2.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Parcel of Residential Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD.

E. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Residential Property. Furthermore, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes or the definition of Residential Property. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

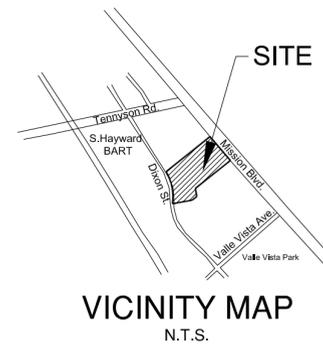
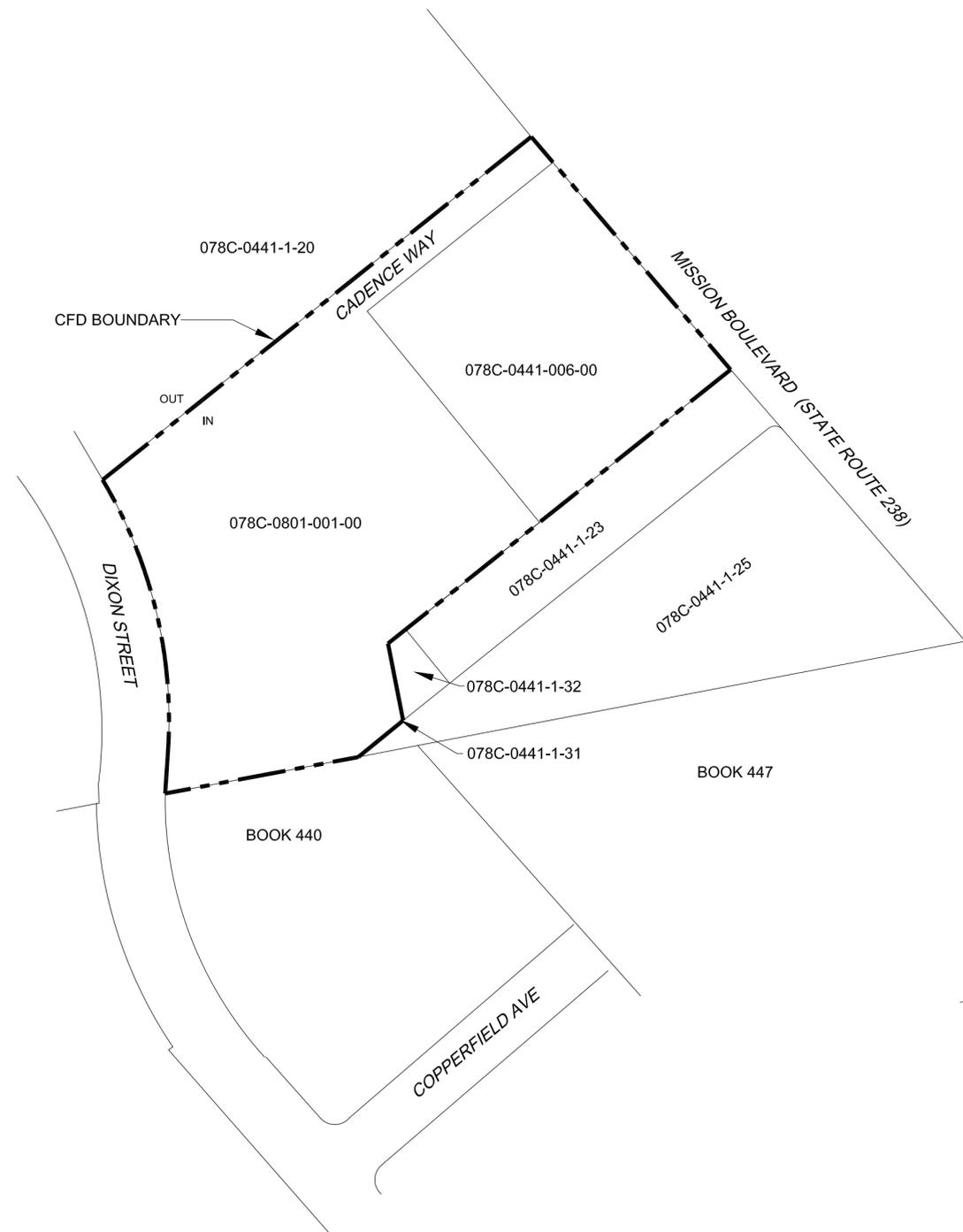
G. APPEAL OF SPECIAL TAX LEVY

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision relative to the appeal, the owner may then file a written appeal with the Council whose subsequent decision shall be binding. If the decision of the Administrator (if the appeal is not filed with the Council) or the Council (if the appeal is filed with the Council) requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies). This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as needed to pay the Special Tax Requirement.

PROPOSED BOUNDARIES OF
CITY OF HAYWARD
COMMUNITY FACILITIES DISTRICT NO. 3
 (SOUTH HAYWARD BART TOD PROJECT)
 Alameda County, State of California



Scale 1"=100'

1. Filed in the office of the City Clerk of the City of Hayward this _____ day of _____, 2015.

 City Clerk
 City of Hayward

2. I hereby certify that the within map showing proposed boundaries of City of Hayward, Community Facilities District No. 3 (South Hayward BART TOD Project), County of Alameda, State of California, was approved by the City Council of the City of Hayward, at a meeting thereof, held on the _____ day of _____, 2015, by its Resolution No. _____

 City Clerk
 City of Hayward

3. Filed this _____ day of _____, 2015, at the hour of _____ o'clock _____ m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ in the Office of the County Recorder in the County of Alameda, State of California.

 County Recorder
 County of Alameda

LEGEND

- 078C-0801-001-00 ASSESSOR'S BOOK, PAGE, & NUMBER
- COMMUNITY FACILITIES DISTRICT BOUNDARY

CITY OF HAYWARD

RESOLUTION NO. 15-_____

A RESOLUTION APPROVING THE ANNEXATION OF PROPERTY LOCATED IN
A FUTURE ANNEXATION AREA

CITY OF HAYWARD

Community Facilities District No. 2
(Cannery Place Public Services)
Annexation No. 1

RESOLVED, by the City Council (the “Council”) of the City of Hayward (the “City”),
County of Alameda (the “County”), and State of California that:

WHEREAS, on April 21, 2009, this Council adopted a resolution entitled “A Resolution
of Intention to Establish a Community Facilities District” (the “Resolution of Intention”),
conducted proceedings (the “Proceedings”) to establish “City of Hayward Community Facilities
District No. 2 (Cannery Place Public Services)” (the “CFD”) and the City of Hayward
Community Facilities District No. 2 (Canner Place Public Services) (Future Annexation Area)
(the “Future Annexation Area”) pursuant to the Mello-Roos Community Facilities Act, Chapter
2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California
Government Code (the “Act”) to finance certain municipal services (the “Services) as provided
in the Act;

WHEREAS, pursuant to notice as specified in the Act, and as part of the Proceedings, the
Council held a public hearing under the Act relative to the determination to proceed with the
formation of the CFD and the Future Annexation Area and the rate and method of apportionment
of the special tax (“Special Tax”) to be levied within the CFD to finance the Services, and at
such hearing all persons desiring to be heard on all matters pertaining to the formation of the
CFD and the Future Annexation Area and the levy of the Special Tax were heard, substantial
evidence was presented and considered by this Council and a full and fair hearing was held;

WHEREAS, upon the conclusion of the hearing, this Council adopted its “A Resolution
of Formation of Community Facilities District” (the “Resolution of Formation), pursuant to
which it completed the Proceedings for the establishment of the CFD and the Future Annexation
Area, the authorization of the levy of the Special Tax within the CFD and the calling of an
election within the CFD on the propositions of levying the Special Tax and establishing an
appropriations limit within the CFD, respectively;

WHEREAS, on May 26, 2009, a special election was held among the landowner voters
within the CFD at which such voters approved such propositions by the two-thirds vote required
by the Act, which approval has been confirmed by resolution of this Council;

WHEREAS, on June 16, 2009 at the hour of 12:00 p.m., a notice of special tax lien (the “Notice of Special Tax Lien”) was recorded with the Alameda County Clerk-Recorder’s office as Document No. 2009190227, thereby giving notice that the lien to secure payment of the Special Tax was imposed on the land in the CFD;

WHEREAS, on June 2, 2009, an Ordinance was passed by this Council, authorizing and levying the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation, including any parcel or parcels in the Future Annexation Area that annex into the CFD at the rate or rates to be approved unanimously by the owner or owners of each parcel or parcels;

WHEREAS, the owners (the “Property Owners”) of certain property located within the Future Annexation Area (the “Property”) have agreed to mitigate certain impacts of the proposed development of the Property by paying for the services financed by the CFD;

WHEREAS, pursuant to the Act, the Property Owners have executed Unanimous Approvals constituting a unanimous approval and unanimous vote by the Property Owners in favor of the annexation of the Property to the CFD and the levy of the Special Tax; and

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. Approval of Annexation. The City Council hereby determines that the Property of the Property Owners is annexed into the CFD.

SECTION 2. Amendment to Notice of Special Tax Lien. The City Council hereby directs the Clerk of the City Council to record Amendment No. 1 to Notice of Special Tax Lien, evidencing that the Property of the Property Owner is added to the CFD.

SECTION 3. Boundaries Described. The revised boundaries of the CFD including the Property of the Property Owner are described in an amended boundary map, which this City Council hereby directs the City Clerk to record with the Alameda County Clerk-Recorder’s office.

SECTION 4. General Authority; Ratification of Previous Actions. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions described herein or to otherwise effectuate the purposes of this resolution. Any actions previously taken by such officers that are consistent with the purposes of this resolution are hereby ratified and confirmed.

SECTION 5. Effective Date. This resolution shall take effect upon its adoption.

IN COUNCIL, HAYWARD, CALIFORNIA, APRIL 21, 2015

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

Ordinance No. _____

Introduced by Council Member _____

ORDINANCE OF THE CITY OF HAYWARD LEVYING SPECIAL TAX WITHIN
COMMUNITY FACILITIES DISTRICTCITY OF HAYWARD
Community Facilities District No. 2
(Cannery Place Public Services)

WHEREAS, on April 21, 2009, the City Council (the "Council") of the City of Hayward (the "City") adopted a resolution entitled "Resolution of Intention to Establish Community Facilities District" (the "Resolution of Intention"), and has conducted proceedings (the "Proceedings") to establish "City of Hayward Community Facilities District No. 2 (Cannery Place Public Services)" (the "CFD") and the City of Hayward Community Facilities District No. 2 (Canner Place Public Services) (Future Annexation Area) (the "Future Annexation Area") pursuant to the Mello-Roos Community Facilities Act, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act") to finance certain public services (the "Services) as provided in the Act;

WHEREAS, pursuant to notice as specified in the Act, and as part of the Proceedings, the Council has held a public hearing under the Act relative to the determination to proceed with the formation of the CFD and the Future Annexation Area and the rate and method of apportionment of the special tax ("Special Tax") to be levied within the CFD to finance the Services, and at such hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the Future Annexation Area and the levy of the Special Tax were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held;

WHEREAS, upon the conclusion of the hearing, this Council adopted its "Resolution of Formation of Community Facilities District" (the "Resolution of Formation), pursuant to which it completed the Proceedings for the establishment of the CFD and the Future Annexation Area, the authorization of the levy of the Special Tax within the CFD and the calling of an election within the CFD on the propositions of levying the Special Tax and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, on May 26, 2009, a special election was held among the landowner voters within the CFD at which such voters approved such propositions by the two-thirds vote required by the Act, which approval has been confirmed by resolution of this Council; and

WHEREAS, on June 2, 2009, Ordinance 09-06 was adopted by this Council, authorizing and levying the Special Tax within the CFD pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of

Formation, including any parcel or parcels in the Future Annexation Area that annex into the CFD at the rate or rates to be approved unanimously by the owner or owners of each parcel or parcels, which Ordinance 09-06 was filed with the City Clerk of the City on July 7, 2009;and

WHEREAS, on April 21, 2015 this Council adopted A Resolution Approving the Annexation of Property Located in a Future Annexation Area, pursuant to which certain property in the Future Annexation Area (the “Annexation Property”) was annexed to the CFD following the execution by the owners of the Annexation Property of a unanimous approval in favor of such annexation.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HAYWARD as follows:

Section 1. By the passage of this Ordinance ____, the Council hereby authorizes and levies the Special Tax within the Annexation Property, as described in that certain “Annexation Map No. 1 to Community Facilities District No. 2 (Cannery Place Public Services), County of Alameda, State of California,” heretofore recorded as Instrument No. _____ on _____, 2015, in Book __ at Page __ of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of Alameda, State of California, pursuant to the Act, at the rate and in accordance with the rate and method of apportionment of Special Tax set forth in the Resolution of Formation which rate and method is by this reference incorporated herein.

Section 2. All provisions of Ordinance 09-06 not inconsistent with this Ordinance are hereby ratified. All references to “the CFD” in Ordinance 09-06 shall hereafter be deemed to apply to the original boundaries of the CFD and the Annexation Property.

Section 3. If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the CFD shall not be affected.

Section 4. The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published immediately after its passage at least once in a newspaper of general circulation circulated in the City.

Section 5. This Ordinance shall take effect 30 days from the date of final passage.

* * * * *

IN COUNCIL, HAYWARD, CALIFORNIA, APRIL 21, 2015

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

**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

City Clerk
City of Hayward
777 B Street
Hayward, CA 94541

**AMENDMENT NO. 1 TO
NOTICE OF SPECIAL TAX LIEN**

**CITY OF HAYWARD
Community Facilities District No. 2
(Cannery Place Public Services)**

Annexation No. 1

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, et seq., of the California Government Code (the "Act"), the undersigned City Clerk of the City of Hayward (the "City"), County of Alameda, State of California, hereby gives notice that a lien to secure payment of a special tax, which the City is authorized to levy, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying for certain municipal services set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Alameda, State of California on June 16, 2009 at the hour of 12:00. p.m. as Document No. 2009190227 to which recorded Notice of Special Tax Lien reference is hereby made and the provisions of which are hereby incorporated by this reference.

This Amendment No. 1 to Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the territory of the City of Hayward Community Facilities District No. 2 (Cannery Place Public Services) (the "CFD"). The territory included in the CFD is set forth in the map of the CFD heretofore recorded as Instrument No. 2009142131 in the Office of the County Recorder of the County of Alameda, State of California on May 5, 2009, in Book 17 at Page 40 of Maps of Assessment and Community Facilities Districts, to which map reference is hereby made.

The rate, method of apportionment, and manner of collection of the authorized special tax, as supplemented with respect to the annexation of the territory described herein to the CFD, is set forth in Exhibit B hereto and hereby made a part hereof. The lien of the special tax is a continuing lien which shall secure the annual levy of the special tax and which shall continue in force and effect until the special tax obligation is permanently satisfied and canceled

in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Government Code Section 53330.5.

Notice is further given that upon the recording of this notice in the office of the County Recorder of the County of Alameda, State of California, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property with in the territory to be added to the CFD in accordance with Section 3115.5 of the Streets and Highways Code.

The assessor's tax parcel numbers of all parcels or any portion thereof which are included in this Amendment No. 1 to Notice of Special Tax Lien, together with the names of the owners thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in Exhibit A hereto and hereby made a part hereof.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Officer of the City of Hayward, 777 B Street, Hayward, CA 94541 (telephone number: 510-583-4000).

Dated: As of April 21, 2015

By: _____
City Clerk
City of Hayward

EXHIBIT A

**CITY OF Hayward
Community Facilities District No. 2
(Cannery Place Public Services)**

Annexation No. 1

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND WITHIN
ANNEXATION NO. 1**

<u>Assessor's Parcel No(s).</u>	<u>Name(s) of Property Owners</u>
431-0109-003-04	Tri Pointe Homes, Inc.
431-0114-016	Tri Pointe Homes, Inc.
431-0119-001-00	HAYPCR LLC
431-0119-002-00	HAYPCR LLC
431-0119-003-00	HAYPCR LLC
431-0119-004-00	HAYPCR LLC
431-0119-005-00	HAYPCR LLC
431-0119-006-00	HAYPCR LLC
431-0119-007-00	HAYPCR LLC
431-0119-008-00	HAYPCR LLC
431-0119-009-00	HAYPCR LLC
431-0119-010-00	HAYPCR LLC
431-0119-011-00	HAYPCR LLC
431-0119-012-00	HAYPCR LLC
431-0119-013-00	HAYPCR LLC
431-0119-014-00	HAYPCR LLC
431-0119-015-00	HAYPCR LLC
431-0119-016-00	HAYPCR LLC
431-0119-017-00	HAYPCR LLC
431-0119-018-00	HAYPCR LLC
431-0119-019-00	HAYPCR LLC
431-0119-020-00	HAYPCR LLC
431-0119-021-00	HAYPCR LLC
431-0119-022-00	HAYPCR LLC
431-0119-023-00	HAYPCR LLC
431-0119-024-00	HAYPCR LLC
431-0119-025-00	HAYPCR LLC
431-0119-026-00	HAYPCR LLC
431-0119-027-00	HAYPCR LLC
431-0119-028-00	HAYPCR LLC
431-0119-029-00	HAYPCR LLC
431-0119-030-00	HAYPCR LLC
431-0119-031-00	HAYPCR LLC
431-0119-032-00	HAYPCR LLC
431-0119-033-00	HAYPCR LLC
431-0119-034-00	HAYPCR LLC
431-0119-035-00	HAYPCR LLC
431-0119-036-00	HAYPCR LLC
431-0119-037-00	HAYPCR LLC
431-0119-038-00	HAYPCR LLC

431-0119-039-00	HAYPCR LLC
431-0119-040-00	HAYPCR LLC
431-0119-041-00	HAYPCR LLC
431-0119-042-00	HAYPCR LLC
431-0119-043-00	HAYPCR LLC
431-0119-044-00	HAYPCR LLC
431-0119-045-00	HAYPCR LLC
431-0119-046-00	HAYPCR LLC
431-0119-047-00	HAYPCR LLC
431-0119-048-00	HAYPCR LLC
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431-0119-059-00	HAYPCR LLC
431-0119-060-00	HAYPCR LLC
431-0119-061-00	HAYPCR LLC
431-0119-062-00	HAYPCR LLC
431-0119-063-00	HAYPCR LLC

EXHIBIT B

**CITY OF CAMPBELL
Community Facilities District No. 2
(Cannery Place Public Services)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT B

CITY OF HAYWARD COMMUNITY FACILITIES DISTRICT NO. 2 (CANNERY PLACE PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Community Facilities District No. 2 (Cannery Place Public Services) [herein "CFD No. 2" or "CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Hayward, acting in its capacity as the legislative body of CFD No. 2, through the application of the appropriate Special Taxes, as described below. All of the property in CFD No. 2, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2, unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2, of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 2, or any designee thereof of complying with City, CFD No. 2, or obligated persons disclosure requirements associated with the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2 for any other administrative purposes of CFD No. 2, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means an official of the City, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” or **“APN”** means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by the CFD as set forth in the documents adopted by the Council when the CFD was formed.

“Below Market-Rate Unit” means a Dwelling Unit within CFD No. 2 that has a deed restriction recorded on title of the property that: (i) limits the rental price or sales price of the Dwelling Unit; (ii) limits the appreciation that can be realized by the owner of such Dwelling Unit; or (iii) in any other way restricts the current or future rental rate or value of the Dwelling Unit.

“City” means the City of Hayward.

“Council” means the City Council of the City, acting as the legislative body of CFD No. 2.

“County” means the County of Alameda.

“CPI” means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco – Oakland – San Jose Area, measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the CPI shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco – Oakland – San Jose Area.

“Dwelling Unit” means a building or portion thereof designed for and occupied in whole or in part as a residence or sleeping place, either permanently or temporarily, by one family and its guests, with sanitary facilities and one kitchen provided within the unit. Boarding or lodging houses, dormitories, and hotels shall not be defined as Dwelling Units unless the land use permit specifies a residential use.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Future Annexation Area” means the area designated for future annexation to CFD No. 2 as shown in the proposed CFD No. 2 boundary map in Exhibit A of this RMA.

“Market-Rate Unit” means a Dwelling Unit within CFD No. 2 that is not a Below Market-Rate Unit.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

“Proportionately” means that the ratio of the actual annual Special Tax levy to the Maximum Special Tax is equal for all Assessors’ Parcels of Residential Property.

“Public Property” means, for each Fiscal Year: (a) any property within the boundaries of CFD No. 2 that is owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use; or (b) any property within the boundaries of CFD No. 2 that is encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Property” means, for each Fiscal Year, all Assessor’s Parcels for which a certificate of occupancy was issued by the City on or prior to June 1 of the preceding fiscal year for a residential Dwelling Unit.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Special Tax” means a special tax levied pursuant to the Act in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services; (ii) Administrative Expenses; and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the Special Tax will be collected.

“Taxable Property” means all Residential Property within the boundaries of CFD No. 2.

B. DATA COLLECTION FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within CFD No. 2. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Residential Property contains Market-Rate Units and/or Below Market-Rate Units; and (ii) the number of Dwelling Units on each Parcel of Residential Property.

In any Fiscal Year, if it is determined that (i) a final map or parcel map for a portion of property in CFD No. 2 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the final map or parcel map was recorded, the Assessor does not yet recognize the new parcels created by the final map or parcel map, and (iii) one or more of the newly-created parcels meets the definition of Residential Property, the Administrator shall

calculate the Special Tax for the property affected by recordation of the final map or parcel map by determining the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the final map or parcel map.

C. MAXIMUM SPECIAL TAXES

1. Initial Boundary of CFD No. 2

a. Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2009-10 for all Parcels of Taxable Property with Market-Rate Units shall be \$484 per Dwelling Unit.

b. Maximum Special Tax Increases

On July 1, 2010, and each July 1 thereafter, the Maximum Special Tax shall be increased by a percentage equal to the greater of: (i) the increase, if any, in the prior calendar year's change in the CPI; or (ii) 4.0%.

2. Future Annexation Area

a. Maximum Special Tax

A separate Maximum Special Tax per Market-Rate Unit and/or per Below Market-Rate Unit may be identified for Parcels of Taxable Property with such Dwelling Units within the Future Annexation Area at the time such area is annexed to CFD No. 2.

b. Maximum Special Tax Increases

On July 1, 2010, and each July 1 thereafter, the Maximum Special Tax shall be increased by a percentage to be identified at the time Parcels within the Future Annexation Area are annexed to CFD No. 2.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAXES

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different

manner if necessary to meet the financial obligations of CFD No. 2, and the Special Tax shall be equally subject to foreclosure if delinquent.

E. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Taxable Property. Furthermore, no Special Tax shall be levied on Public Property, except as otherwise provided in the Act.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes or the definition of Taxable Property. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by resolution of the Council for purposes of clarifying any vagueness or ambiguity in this RMA.

G. APPEAL OF SPECIAL TAX LEVY

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision relative to the appeal, the owner may then file a written appeal with the Council whose subsequent decision shall be binding. If the decision of the Administrator (if the appeal is not filed with the Council) or the Council (if the appeal is filed with the Council) requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies). This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

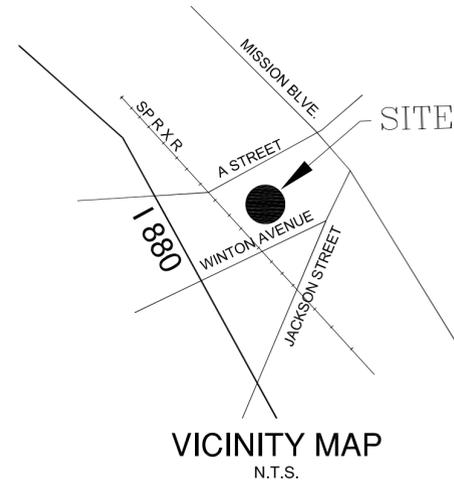
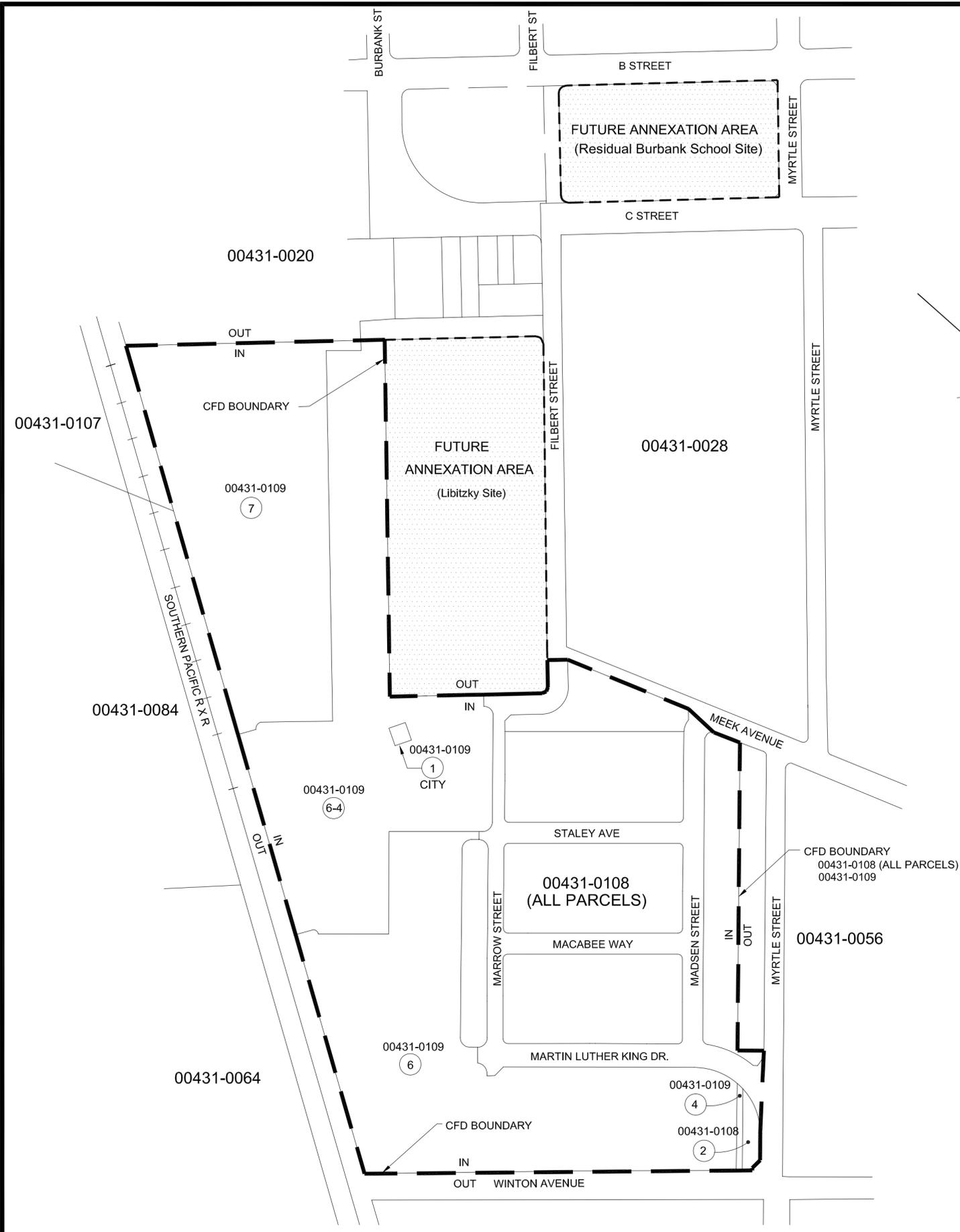
H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to pay the Special Tax Requirement.

EXHIBIT A

CFD No. 2 BOUNDARY MAP

PROPOSED BOUNDARIES OF
CITY OF HAYWARD
COMMUNITY FACILITIES DISTRICT NO. 2
 (Cannery Place Public Services)
 Alameda County, State of California



1. Filed in the office of the City Clerk of the City of Hayward this _____ day of _____, 2009.

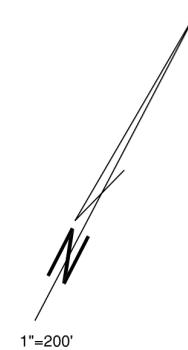
 City Clerk
 City of Hayward

2. I hereby certify that the within map showing proposed boundaries of City of Hayward, Community Facilities District No. 2 (Cannery Place Public Services), County of Alameda, State of California, was approved by the City Council of the City of Hayward, at a meeting thereof, held on the _____ day of _____, 2009, by its Resolution No. _____

 City Clerk
 City of Hayward

3. Filed this _____ day of _____, 2009, at the hour of _____ o'clock _____ m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ in the Office of the County Recorder in the County of Alameda, State of California.

 County Recorder
 County of Alameda



LEGEND

- 00431-0109 ASSESSOR'S BOOK AND PAGE
- (6) ASSESSOR PARCEL NUMBER
- COMMUNITY FACILITIES DISTRICT BOUNDARY

CCG
 Goodwin Consulting Group

by
 JLS Consulting LLC
 Jerry L. Slinkard RCE 20346

**SUPPLEMENT NO. 1 TO
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

This Supplement No. 1 to Rate and Method of Apportionment of Special Tax (this "Supplement") supplements the Rate and Method of Apportionment of Special Tax (the "Existing Rate and Method," and together with the Supplement, the "Rate and Method") for "City of Hayward Community Facilities District No. 2 (Cannery Place Public Services)" (the "CFD") as it applies to the property designated as Tax Zone No. 2 (the "Tax Zone") that is being annexed to the CFD for the purpose of financing police protection services (which constitutes a "Service" as defined in a "Resolution of Formation of Community Facilities District" adopted as Resolution No. 09-063 by the City Council of the City of Hayward on May 29, 2009):

This Supplement supplements the Existing Rate and Method by adding a new Section C.3 as described below. Except as expressly set forth in this Supplement, all provisions of the Existing Rate and Method shall govern the Tax Zone.

Capitalized terms that are used but not defined in this Supplement have the meaning given them in the Existing Rate and Method.

C. MAXIMUM SPECIAL TAXES

3. Tax Zone 2

a. Maximum Special Tax

The Maximum Special Tax for Fiscal Year 2014-15 for all Parcels of Taxable Property with Market-Rate Units shall be \$439.91 per dwelling unit.

b. Maximum Special Tax Increases

On July 1, 2015 and each July 1 thereafter, the Maximum Special Tax shall be increased by a percentage equal to greater of (i) the increase, if any, in the prior calendar year's change in the CPI; or (ii) 4.0%.

**SUPPLEMENT NO. 2 TO
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

This Supplement No. 2 to Rate and Method of Apportionment of Special Tax (this "Supplement") supplements the Rate and Method of Apportionment of Special Tax (the "Existing Rate and Method," and together with the Supplement, the "Rate and Method") for "City of Hayward Community Facilities District No. 2 (Cannery Place Public Services)" (the "CFD") as it applies to the property designated as Tax Zone No. 3 (the "Tax Zone") that is being annexed to the CFD for the purpose of financing police protection services (which constitutes a "Service" as defined in a "Resolution of Formation of Community Facilities District" adopted as Resolution No. 09-063 by the City Council of the City of Hayward on May 29, 2009):

This Supplement supplements the Existing Rate and Method by adding a new Section C.4 as described below. Except as expressly set forth in this Supplement, all provisions of the Existing Rate and Method shall govern the Tax Zone.

Capitalized terms that are used but not defined in this Supplement have the meaning given them in the Existing Rate and Method.

C. MAXIMUM SPECIAL TAXES

4. Tax Zone 3

a. Maximum Special Tax

The table below identifies the Maximum Special Tax for property within the CFD.

Type of Property	Maximum Special Tax for Fiscal Year 2014-15
Single Family Detached Units	\$432.64 per unit
Single Family Attached Units	\$284.76 per unit
Multi-Family Unit	\$245.49

b. Maximum Special Tax Increases

On July 1, 2015 and each July 1 thereafter, the Maximum Special Tax shall be increased by a percentage equal to greater of (i) the increase, if any, in the prior calendar year's change in the CPI; or (ii) 4.0%.

c. Defined Terms

For purposes of this Supplement, the terms below shall have the following meanings:

"Single Family Detached Units" means, in any Fiscal Year, all Dwelling Units that do not share a common wall with another Dwelling Unit.

"Single Family Attached Units" means, in any Fiscal Year, all Dwelling Units within residential structures consisting of two or more Dwelling Units that share common walls, have separate Assessor's Parcel numbers assigned to them (except for a duplex unit,

which may share an Assessor's Parcel with another duplex unit), and are offered as for-sale Dwelling Units (which shall still be the case even if the Dwelling Units are purchased and subsequently offered for rent by the owner of the Dwelling Unit(s)), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Multi-Family Units” means, in any Fiscal Year, all Dwelling Units within residential structures with five or more Dwelling Units that share a single Assessor's Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

CITY OF HAYWARD

RESOLUTION NO. 09-049

Introduced by Council Member Henson

**RESOLUTION APPROVING AMENDED AND RESTATED
LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 and following of the California Government Code (the "Act"), and prior to the institution of any proceedings thereunder, the legislative body of a local agency must adopt goals and policies as provided in the Act; and

WHEREAS, the City Council of the City of Hayward previously approved "Local Goals and Policies for Community Facilities Districts" by Ordinance No. 01-13, entitled "An Ordinance Adding Article 17 to Chapter 8 of the Hayward Municipal Code Relating to Adopting Local Goals and Policies for the Establishment of Community Facilities Districts," adopted on October 9, 2001 (the "Existing Goals and Policies"); and

WHEREAS, the Existing Goals and Policies provide that they may be amended or supplemented by resolution of the City Council; and

WHEREAS, the City Council wishes to amend and restate the Existing Goals and Policies for the purpose of complying with the requirements of the Act and to further update the Existing Goals and Policies.

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

1. Approval. The "Amended and Restated Local Goals and Policies for Community Facilities Districts" (the "Amended Goals and Policies") on file with the City Clerk, which amend and restate the Existing Goals and Policies, are hereby found to meet the requirements of the Act and are hereby adopted by the Council for the purposes of compliance with the Act, subject to further amendment by the Council as may be required from time to time.

2. Effective Date. This resolution and the Amended Goals and Policies shall be effective from and after the date of the adoption of this resolution by the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA April 21, 2009

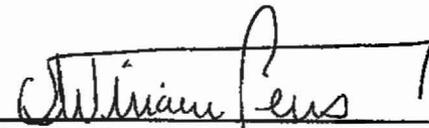
ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: Zermeño, Halliday, May Dowling, Henson
MAYOR: Sweeney

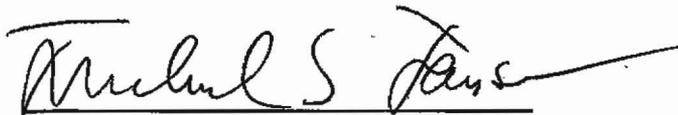
NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: Quirk

ATTEST: 
City Clerk of the City of Hayward

APPROVED AS TO FORM:


City Attorney of the City of Hayward

CITY OF HAYWARD

AMENDED AND RESTATED
LOCAL GOALS AND POLICIES FOR
COMMUNITY FACILITIES DISTRICTS
AND SPECIAL TAX DISTRICTS

I. GENERAL.

Section 53312.7(a) of the California Government Code requires that the City of Hayward (the "City") consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act") prior to the initiation of proceedings on or after January 1, 1994 to establish a new community facilities district ("CFD") under the Act.

These Amended and Restated Local Goals and Policies for Community Facilities Districts (the "Policies") amend and supercede prior Local Goals and Policies adopted by the City on October 9, 2001.

These Policies provide guidance and conditions for the conduct by the City of proceedings for, and the issuance of bonds secured by special taxes levied in, a special tax district or a community facilities district ("CFD") established under the Act or an ordinance adopted by the City in its capacity as a charter city pursuant to Section 3, 5 and 7 of Article XI of the California Constitution (an "Ordinance"). The Policies are intended to be general in nature; specific details will depend on the nature of each particular financing. The Policies are applicable to financings under the Act or an Ordinance and are intended to comply with Section 53312.7 (a) of the Government Code. These Policies shall not apply to any assessment financing or any certificate of participation or similar financings involving leases of or security in public property. The Policies are subject to amendment by the City Council at any time.

In each and every circumstance, the decision as to whether or not the City will make use of the Act or an Ordinance is a decision that will be made solely by the City. Nothing contained herein shall be construed as obligating the City to make use of the Act or an Ordinance in any circumstance or as granting to any person any right to have the City make use of the Act or an Ordinance in any circumstance.

II. FINANCING PRIORITIES.

Eligible Public Facilities. The public facilities eligible to be financed by a CFD must be owned by a public agency or public utility, and must have a useful life of at least five years, except that up to five percent of the proceeds of an issue may be used for facilities owned and operated by a privately-owned public utility. The development or redevelopment proposed within a CFD must be consistent with the City's general plan and must have received any required legislative approvals such as zoning or specific plan approvals prior to the issuance of public debt. A CFD shall not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

The list of eligible public facilities include, but are not limited to, the following:

- Cultural facilities
- Elementary and secondary school sites and facilities
- Flood control facilities
- Governmental facilities

- Landscaping on public property or in public easements
- Libraries
- Parks and recreational facilities
- Police and fire protection facilities
- Potable and reclaimed water facilities
- Public utilities
- Sanitary sewer facilities
- Storm drain facilities
- Streets and street lighting
- Traffic signals and safety lighting
- Utility relocations
- Other facilities as may be permitted pursuant to the Act or an Ordinance as it may be amended from time to time.

If appropriate, the City shall prepare a public facilities financing plan as a part of the specific plan or other land use document that identifies the public facilities required to serve a project, and the type of financing to be utilized for each facility. The City will attempt to schedule construction of CFD-financed facilities in a manner such that private development will not occur ahead of the installation of public infrastructure necessary to support that development.

Eligible Public Services. In general, the services eligible to be financed by a CFD (the "Services") are those identified in the Act or an Ordinance which are provided by the City, including:

- Fire protection and suppression services and ambulance and paramedic services
- Flood and storm protection including operation and maintenance of storm drainage systems and sandstorm protection systems
- Library services
- Maintenance and lighting of streets and roads
- Maintenance and lighting of parks, parkways and open space
- Operation and maintenance of museums and cultural facilities
- Police protection services
- Recreation program services
- Services related to removal or remedial reation for the cleanup of hazardous substance released or threatened to be released in the environment
- Other services as may be permitted pursuant to the Act or an Ordinance as it may be amended from time to time.

The City may finance services to be provided by another local agency if it determines the public convenience and necessity require it to do so, although the City prioritizes financing services to be provided by the City as described below. If appropriate, the City shall prepare a public services financing plan as a part of the specific plan or other land use document that identifies the public services required to serve a project and the source of funding for each such service.

Eligible Private Facilities. Financed improvements may be privately-owned in the specific circumstances, and subject to the conditions, set forth in the Act or an Ordinance.

Eligible Prior Debt. A CFD may also be formed for the purpose of refinancing any fixed special assessment or other governmental lien on property, to the extent permitted under the Act or an Ordinance, as applicable.

Priorities for Financing. The priority that various kinds of public facilities and services will have for financing through the City's use of the Act or an Ordinance is as follows:

- (a) City services authorized to be financed pursuant to the Act or an Ordinance;
- (b) Backbone infrastructure to be owned and/or operated by the City that is required to serve proposed development and that is identified in an infrastructure master plan, specific plan or other appropriate document approved by the City as a major backbone infrastructure element;
- (c) Other public facilities to be owned and/or operated by the City for which there is a clearly demonstrated public benefit; and
- (d) Public facilities to be owned and/or operated by a public agency other than the City, including such public facilities financed *in lieu* of the payment of development fees imposed by such public agency. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise consistent with approved land use plans for the property, the City shall consider entering into a joint financing agreement or joint powers authority in order to finance these facilities. A joint agreement with the public agency that will own and operate any such facility must be entered into at the time specified in the Act or an Ordinance.
- (e) Fee obligations imposed by government agencies the proceeds of which fees are to be used to fund public capital improvements of the nature listed above. The City will not, generally, consider an application to finance fee obligations, but may consider such financing on a case-by-case basis.
- (f) Services provided by a public agency other than the City. If the proposed financing is consistent with a public services financing plan approved by the City, or the proposed facilities are otherwise consistent with approved land use plans for the property, the City shall consider entering into a joint financing agreement or joint powers authority in order to finance these services. A joint agreement with the public agency providing the services must be entered into at the time specified in the Act or an Ordinance.
- (g) Privately owned facilities (that is, facilities not owned by a local agency) will, generally, not be financed through the City's use of the Act or an Ordinance; provided, however, that the City may consider the financing of such facilities on a case by case basis.

In-tract infrastructure will, generally, not be financed through the City's use of the Act or an Ordinance, provided however, that the City may consider the financing of such facilities on a case by case basis.

III. BOND ISSUE CREDIT QUALITY REQUIREMENTS

The following are minimum requirements related to issuance of CFD bond issues by the City. Under extraordinary real estate or bond market conditions, the City may, at its own discretion, require more restrictive criteria or additional credit enhancement to improve credit quality.

Value-to-Public Lien Ratio. Generally, CFD bond issues should have at least a three-to-one property value to public lien ratio after calculating the value of the financed public improvements to be installed, unless otherwise specifically approved by the City Council as provided in Section 53345.8(b)

or (c) of the Act. Property value may be based on either an appraisal (as described in VI below) or on assessed values as indicated on the county assessor's tax roll. The public lien amount shall include the bond issue currently being sold plus the portion of any existing public indebtedness secured by a lien on the properties to be taxed.

Entitlement Status. The City will require all major land use approvals and governmental permits necessary for development of land in the CFD to be substantially in place before bonds may be issued.

Reserve Fund. In order to enhance the credit quality of CFD bond issues, the City generally will require that each such bond issue be secured by a reserve fund. Generally, each such reserve fund will be required to be funded with cash in an amount no less than the least of (a) 10% of the initial principal amount of the bonds of such issue, (b) maximum annual debt service on the bonds of such issue, or (c) 125% of the average annual debt service on the bonds of such issue.

Bond Structure for Owner-Occupied Residential Property. Generally, for a CFD created by a landowner vote where special taxes will be received primarily from owner-occupied residential properties, bonds for such CFD will be structured such that, once principal amortization thereof has commenced, debt service thereon will be substantially level.

Failure to Meet Credit Criteria. Less than a three-to-one property value to public lien ratio, excessive tax delinquencies, or projects of uncertain economic viability may cause the City to disallow the sale of bonds, or require additional credit enhancement prior to bond sale. The City may consider exceptions to the above policies for bond issues that do not represent an unusual credit risk, either due to credit enhancement or other reasons specified by the City, and/or which otherwise provide extraordinary public benefits, to the extent permitted by and subject to any applicable requirements of the Act.

If the City requires letters of credit or other security, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the City. Any security required to be provided by the applicant may be discharged by the City upon satisfaction of the applicable credit criteria specified by the City.

As an alternative to providing other security, and subject to federal tax law, the applicant may request that a portion of the bond proceeds be placed in escrow with a trustee or fiscal agent in an amount sufficient to assure the financing will meet the applicable credit criteria, including, but not limited to, meeting a value-to-lien ratio of at least three-to-one on the outstanding proceeds. The escrowed proceeds shall be released at such times and in such amounts as may be necessary to assure the applicable credit criteria has been met. Generally, in the event escrow bonds are issued, all interest during the escrow period shall be gross funded. Generally, an escrow bond structure for CFD bonds will not be employed unless such a structure advances an extraordinary City development or financial objective.

Suitable Investors. The City will require that bond financings be structured so that bonds are purchased and owned by suitable investors. For example, the City may require placement of bonds with a limited number of sophisticated investors, large bond denominations and/or transfer restrictions in situations where there is an insufficient value-to-lien ratio, where a substantial amount of the property within a CFD is undeveloped, where tax delinquencies are present in parcels within the CFD, and in any other situation identified by the City.

IV. DISCLOSURES

Purchasers of Property. As a minimum, any disclosures mandated by applicable state law to inform prospective purchasers of their obligations under the CFD shall apply to each CFD. In addition, there may be additional requirements mandated by the City for particular kinds of financings on a case-by-case basis. The City may prescribe specific forms to be used to disclose the existence and extent of obligations imposed by CFD.

Disclosure Requirements for the Resale of Lots. The City shall provide a notice of special taxes to sellers of property (other than developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Act. This notice shall be provided by the City within five working days of receiving a written request for the notice. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

Continuing Bond Disclosure. Landowners in a CFD that are responsible for ten percent (10%) or more of the annual special taxes must agree to provide: (i) initial disclosure at the time of issuance of any bonds; and (ii) annual disclosure as required under Rule 15c2-12 of the Securities Exchange Commission until the special tax obligation of the property owned by such owner drops below 10%.

V. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES

Minimum Special Tax Levels. Special tax formulas shall provide for minimum special tax levels which satisfy the following payment obligations of a CFD: (a) 110 percent gross debt service coverage for all CFD bonded indebtedness, (b) the administrative expenses of the CFD. Administrative costs of the CFD shall be prioritized ahead of all CFD bonded indebtedness. Generally, the rate and method of apportionment for CFD special taxes will be required to include a back-up tax so that changes in development within the CFD would not result in the inability to levy special taxes that would produce special tax revenues in such amounts.

In addition, the special tax formula may provide for the following to be included in the special tax levels: (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD, (b) the accumulation of funds reasonably required for future debt service, (c) amounts equal to projected delinquencies of special tax payments, (d) the costs of remarketing, credit enhancement and liquidity facility fees, (e) the cost of acquisition, construction, furnishing or equipping of authorized facilities, (f) lease payments for existing or future facilities, (g) costs associated with the release of funds from an escrow account, and (h) the costs of services, (i) the costs incurred to resolve or foreclose on delinquent parcels, and (i) any other costs or payments permitted by law. In structuring the special tax, projected annual interest earnings on bond reserve funds may not be included as revenue for purposes of the calculation.

Generally, the special tax rate and method of apportionment for a CFD will be structured so as to allow the prepayment by property owners of special taxes levied to finance facilities.

Reasonable Basis of Apportionment. The special tax formula shall be reasonable in allocating the CFD's payment obligations to parcels within the CFD. Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

Aggregate Tax Burden. For Non-residential Property. The total projected non-residential property tax levels for any CFD (including ad valorem taxes, any maintenance, landscaping or other impositions on the land in the CFD and other similar annual government charges levied on parcels in the CFD, but excluding property owners' association annual levies and as to any special tax levies, based on the expected special tax rates and not any "back-up" special taxes) must be reasonable, and will be considered by the City on a case-by-case basis.

For Residential Property. The total projected residential property tax levels (including ad valorem taxes, any maintenance, landscaping or other impositions on the land in the CFD and other similar annual government charges levied on parcels in the CFD, but excluding homeowners' association annual levies and as to any special tax levies, based on the expected special tax rates and not any "back-up" special taxes) for any CFD (or, if a CFD has multiple improvement areas, for each improvement area and not the entire CFD) shall not exceed, at the time of CFD formation, the lesser of (i) 2.0% of the estimated sales prices of the respective homes to be constructed in the CFD (with such prices to be determined by reference to an absorption study or appraisal prepared for the CFD or such other information as the City shall determine), (ii) any maximum specified in the Act, or (iii) lesser amount as may be determined by the City on a case-by-case basis. The annual increase, if any, in the maximum special tax for any parcel shall not exceed any maximum specified in the Act. The increase in the special tax levied on any residential parcel as a consequence of delinquency or default by the owner of any other parcel shall not exceed any maximum specified in the Act.

Levy on Entire Parcels. Special taxes will only be levied on an entire county assessor's parcel, and any allocation of special tax liability of a county assessor's parcel to leasehold or possessory interest in the fee ownership of such county assessor's parcel shall be the responsibility of the fee owner of such parcel and the City shall have no responsibility therefor and has no interest therein. Failure of the owner of any county assessor's parcel to pay or cause to be paid any special taxes in full when due, shall subject the entire parcel to foreclosure in accordance with the Act.

Feasibility Analysis. The City may retain a special tax consultant and/or real estate market consultant to prepare a report or other analysis which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified public facilities, City administrative costs, services (if applicable) and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

VI. APPRAISALS

The definitions, standards and assumptions to be used for appraisals shall be determined by City staff on a case-by-case basis, with input from City consultants and CFD applicants, and by reference to relevant materials and information promulgated by the State of California, (including, but not limited to, the California Debt and Investment and Advisory Commission). The appraiser shall be selected by or otherwise acceptable to the City, and the appraisal shall be coordinated by and under the direction of, or otherwise as acceptable to, the City.

The appraisal must be dated within three months of the date the bonds are priced, unless the City Council determines a longer time is appropriate.

All costs associated with the preparation of the appraisal report shall be paid by the entity requesting the establishment of the CFD, if applicable, through the advance deposit mechanism described below.

VII. CITY PROCEEDINGS

Petition. For new development projects, a petition meeting the requirements of the applicable authorizing law will be required. The applicant is urged to obtain unanimous waivers of the election waiting period. In applying to the City for formation of a CFD, the applicant must specify any reasonably expected impediments to obtaining petitions, including from co-owners and/or lenders of record (where required). Waiver of the petition shall be made only upon showing of extraordinary hardship. For existing development, petitions are preferred, but may be waived, depending on the nature of the project and degree of public importance.

Deposits and Reimbursements. All City staff and consultant costs incurred in the evaluation of CFD applications and the establishment of the CFD will be paid by the entity, if any, requesting the establishment of the CFD by advance deposit increments. The City shall not incur any expenses for processing and administering a CFD that are not paid by the applicant or from CFD bond proceeds. In general, expenses not chargeable to the CFD shall be directly borne by the proponents of the CFD.

Generally any petition for formation of a CFD to fund Public Facilities shall be accompanied by an initial deposit in the amount not less than \$75,000 to fund initial staff and consultant costs associated with CFD review and implementation. If additional funds are needed to off-set costs and expenses incurred by the City, the City shall make written demand upon the applicant for such funds. If the applicant fails to make any deposit of additional funds for the proceedings, the City may suspend all proceedings until receipt of such additional deposit.

The City shall not accrue or pay any interest on any portion of the deposit refunded to any applicant or the costs and expenses reimbursed to an applicant. Neither the City nor the CFD shall be required to reimburse any applicant or property owner from any funds other than the proceeds of bonds issued by the CFD or special taxes levied in the CFD.

Representatives. The City and the applicant shall each designate a representative for each financing district proceeding. The representatives shall be responsible for coordinating the activities of their respective interests and shall be the spokespersons for each such interest. The purpose of this requirement is to avoid duplication of effort and misunderstandings from failure to communicate effectively. In the case of the City, it allows the City's consultants to report to a single official who will, in turn, communicate with other staff members.

Time Schedule. The final schedule of events for any proceeding shall be determined by the City, in consultation with its financing team and the applicant. Any changes will require approval by the appropriate City official. Time schedules will (unless specific exceptions are allowed) observe established City Council meeting schedules and agenda deadlines. To the extent possible, financings will be scheduled to allow debt service to be placed on the tax rolls with a minimum of capitalized interest.

VIII. FINANCING TERMS AND CONDITIONS OF BONDS.

No Impact On City's Credit. All terms and conditions of any CFD bonds shall be established by the City. The City will control, manage and invest all CFD issued bond proceeds. Each bond issue shall be structured to adequately protect bond owners and to not negatively impact the bonding capacity or credit rating of the City through the special taxes, credit enhancements, foreclosure covenant, and reserve funds.

All statements and material related to the sale of bonds shall emphasize and state that neither the faith, credit nor the taxing power of the City is pledged to security or repayment of the Bonds. The sole source of pledged revenues to repay CFD bonds are special taxes, bond proceeds and reserve funds held under the bond document, and the proceeds of foreclosure proceedings and additional security instruments provided at the time of bond issuance.

Finance Team Selection. The City shall select all consultants necessary for the formation of the CFD and the issuance of bonds, including the underwriter(s), bond counsel, disclosure counsel, financial advisors, appraiser, market absorption/pricing consultant, and the special tax consultant. Prior consent of the applicant shall not be required in the determination by the City of the consulting and financing team.

IX. EXCEPTIONS TO THESE POLICIES.

The City may find in limited and exceptional instances that a waiver to any of the above stated policies is reasonable given identified special benefits to be derived from such waiver. Such waivers only will be granted by action of the City Council.

ARTICLE 17

LOCAL GOALS AND POLICIES FOR
COMMUNITY FACILITIES DISTRICTS

Sections	Subject Matter
8-17.00	INTRODUCTION
8-17.01	GOALS
8-17.02	ELIGIBLE PUBLIC FACILITIES AND SERVICES
8-17.03	PRIORITIES FOR CFD FINANCING UNDER THE ACT
8-17.04	CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES
8-17.05	DISCLOSURE REQUIREMENTS FOR PROSPECTIVE PROPERTY PURCHASERS
8-17.06	EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES
8-17.07	APPRAISALS
8-17.08	ABSORPTION STUDY
8-17.09	TERMS AND CONDITIONS OF BONDS
8-17.10	CFD COST DEPOSITS AND REIMBURSEMENTS
8-17.11	CONTINUING DISCLOSURE
8-17.12	USE OF CONSULTANTS
8-17.13	EXCEPTIONS TO THESE POLICIES

ARTICLE 17

LOCAL GOALS AND POLICIES FOR
COMMUNITY FACILITIES DISTRICTS

SEC. 8-17.00 INTRODUCTION. Section 53312.7(a) of the California Government Code requires that prior to the initiation of proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") the City of Hayward (the "City") consider and adopt local goals and policies concerning the use of the Act prior to the initiation of proceedings on or after January 1, 1994 to establish a new community facilities district ("CFD") under the Act. The following goals and policies are intended to meet the minimum requirements of the Act, and may be amended or supplemented by resolution of the City Council at any time.

SEC. 8-17.01 GOALS. Except as otherwise provided, only those public improvements that benefit not only the particular development, but also the City at large will be considered for financing. Such improvements include, but are not limited to, trunk water, sanitary and storm sewer and related facilities, bridges, major collector or "spine" streets, including related landscaping and lighting, parks, trails, and other recreational facilities, community centers, and fire stations. Unless specifically approved by the Council, whether through its approval of a development agreement or otherwise, in-tract utilities, streets, landscaping and lighting serving individual properties will not be financed in new development, nor will the acquisition of rights-of-way, lands and easements for public improvements for new development be financed.

School facilities will not be financed except under appropriate joint community facilities agreements with, or joint exercise of powers agreements created between the City and, school districts.

The City shall make the determination as to whether a proposed district shall proceed under the provisions of the California assessment laws or the Act. The City may confer with consultants and the applicant to learn of any unique CFD requirements such as facilities serving the regional area prior to making any final determination.

All City and consultant costs incurred in the evaluation of new CFD applications and the establishment of CFDs will be paid by the applicant(s) by advance deposit increments. The City shall not incur any non-reimbursable expense for processing CFDs. Expenses not chargeable to the CFD shall be borne by the applicant.

SEC. 8-17.02. ELIGIBLE PUBLIC FACILITIES AND SERVICES. The improvements eligible to be financed by a CFD must be owned by a public agency or public utility, and must have a useful life of at least five (5) years, except that up to five percent of the proceeds of an issue may be used for facilities owned and operated by a privately-owned public utility. The development or redevelopment proposed within a CFD must be consistent with the City's general plan and must have received any required legislative approvals such as zoning or specific plan approvals prior to the issuance of public debt. A CFD shall not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

The list of eligible public facilities include, but are not limited to, the types of facilities specified in Government Code section 53313, as it currently exists, or may hereafter be

amended.

The funding of public facilities to be owned and operated by public agencies other than the City shall be considered on a case-by-case basis. If the proposed financing is consistent with a public facilities financing plan approved by the City, or the proposed facilities are otherwise consistent with approved land use plans for the property, the City shall consider entering into a joint financing agreement or joint powers authority in order to finance these facilities.

The City will consider on a case-by-case basis CFDs established for the provisions of services eligible to be funded under the Act. Eligible services are as specified in the Act.

SEC. 8-17.03 PRIORITIES FOR CFD FINANCING UNDER THE ACT. Priority for CFD financing shall be given to public facilities which: (a) are necessary for economic development, or (b) are otherwise incident to an economic development project. If appropriate, the City shall prepare a public facilities financing plan as a part of the specific plan or other land use document that identifies the public facilities required to serve a project, and the type of financing to be utilized for each facility.

SEC. 8-17.04 CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES. All CFD bond issues should have at least a three to one property value to public lien ratio per land use category, including any overlapping special assessment or special tax liens, after calculating the value of the financed public improvements to be installed. Property value may be based on either an appraisal or on assessed values as indicated on the county assessor's tax roll. The appraiser shall be selected by the City, and the appraisal shall be based on standards promulgated by the State of California and otherwise determined applicable by City staff and consultants. The appraisal must be dated within nine months of the date the bonds are issued. The public lien amount shall include the bond issue currently being sold plus any public indebtedness secured by a lien on real property currently existing against the properties to be taxed.

Less than a three to one property value to public lien ratio, excessive tax delinquencies, or projects of poor economic viability may cause the City to disallow the sale of bonds or require credit enhancement prior to bond sale. The City may consider exceptions to the above policies for bond issues that do not represent an unusual credit risk, either due to credit enhancement or other reasons specified by the City, and which otherwise provide extraordinary public benefits.

If the City requires letters of credit or other security, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the City. Any security required to be provided by the applicant may be discharged by the City upon the opinion of a qualified appraiser, retained by the City, that a value-to-lien ratio of three to one has been attained per land use category, including any overlapping special assessment or special tax liens.

As an alternative to providing other security, the applicant may request that a portion of the bond proceeds be placed in escrow with a corporate agent in an amount sufficient to assure a value-to-lien ratio of at least three to one on the outstanding proceeds. The proceeds shall be released at such times and such amounts as may be necessary to assure a value-to-lien ratio of at least three to one per land use category, including any overlapping special assessment or special tax liens, on the aggregate outstanding bond proceeds.

SEC. 8-17.05 DISCLOSURE REQUIREMENTS FOR PROSPECTIVE

PROPERTY PURCHASERS.

- a. Disclosure Requirements for Developers. Developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to prospective purchasers that complies with all of the requirements set forth in Section 53341.5 of the Government Code. The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of property is executed. Developers shall keep an executed copy of each disclosure document as evidence that disclosure has been provided to all purchasers of property within a CFD.
- b. Disclosure Requirements for the Resale of Lots. The City Finance Department shall provide a notice of special taxes to sellers of property (other than developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code. This notice shall be provided by the City within five working days of receiving a written request for the notice. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

SEC. 8-17.06 EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES. Special tax formulas for CFDs shall provide for minimum special tax levels which satisfy the following expenses of a CFD: (a) 110 percent debt service coverage for all CFD bonded indebtedness, (b) the reasonable and necessary annual administrative expenses of the CFD, and (c) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD. Additionally, the special tax formula may provide for the following: (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD, (b) the accumulation of funds reasonably required for future debt service, (c) amounts equal to projected delinquencies of special tax payments, (d) the costs of remarketing, credit enhancement and liquidity facility fees, (e) the cost of acquisition, construction, furnishing or equipping of facilities, (f) lease payments for existing or future facilities, (g) costs associated with the release of funds from an escrow account, and (h) any other costs or payments permitted by law. In structuring the special tax, projected annual interest earnings on bond reserve funds may not be included as revenue for purposes of the calculation.

The special tax formula shall be reasonable and equitable in allocating public facilities' costs to parcels within the CFD. Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

The total projected property tax levels for any CFD shall not exceed any maximum specified in the Act (the residential property criteria limits the total of all taxes and assessments to 2% of assessed value). The annual increase, if any, in the maximum special tax for any parcel shall not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel as a consequence of delinquency or default by the owner of any other parcel shall not exceed any maximum specified in the Act.

Special taxes will only be levied on an entire County Assessor's parcel, and any allocation of special tax liability of a County Assessor's parcel to leasehold or possessory interest in the fee ownership of such County Assessor's parcel shall be the responsibility of the fee owner of such parcel (except where the City is the fee owner of the parcel and has leased the parcel pursuant

to a lease with a term of at least 5 years, in which case the lessee shall have the responsibility for the special tax liability) and the City shall have no responsibility therefore and has no interest therein. Failure to pay or cause to be paid any special taxes in full when due, shall subject the entire parcel to foreclosure in accordance with the Act.

The City shall retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified public facilities, City administrative costs, services (if applicable) and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

SEC. 8-17.07 APPRAISALS. The definitions, standards and assumptions to be used for appraisals shall be determined by City on a case-by-case basis, with input from City consultants and CFD applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission. In any event, the value-to-lien ratio shall be determined based upon an appraisal by an independent Member Appraisal Institute ("M.A.I.") appraiser of the proposed CFD. The appraisal shall be coordinated by and under the direction of the City. All costs associated with the preparation of the appraisal report shall be paid by the entity requesting the establishment of the CFD through the advance deposit mechanism.

SEC. 8-17.08 ABSORPTION STUDY. An absorption study of any proposed development project shall be required for land secured financing. The absorption study shall be used A) as basis for verification that sufficient revenues can be produced; and B) to determine if the public financing of the public facilities is appropriate given the timing of the development. Additionally, the projected absorption rates will be provided to the appraiser for use in the appraisal required in Section V, above.

SEC. 8-17.09 TERMS AND CONDITIONS OF BONDS. All terms and conditions of the bonds shall be established by the City. The City will control, manage and invest all CFD issued bond proceeds. Each bond issue shall be structured to adequately protect bond owners and to not negatively impact the bonding capacity or rating of the City. These security measures could include a combination of credit enhancement, foreclosure covenant, special reserve fund or deposits and/or a contractual commitment by the proponents and successors to pay the special taxes or assessments during the initial development stages of the development project. The City has the sole discretion to determine the types of credit enhancement, foreclosure covenant and reserve fund that may be required.

All statements and material related to the sale of bonds shall emphasize and state that neither the faith, credit nor the taxing power of the City is pledged to security or repayment of the Bonds. The sole source of pledged revenues to repay CFD bonds are special taxes, bond proceeds and reserve funds held under the bond document, and the proceeds of foreclosure proceedings and additional security instruments provided at the time of bond issuance.

The City is under no obligation to issue tax-exempt debt. The ability to issue tax-exempt debt depends upon the particular facts and circumstances of each CFD. If the City, in its sole discretion determines to issue tax-exempt debt, the developer must agree to cooperate in connection with any covenants or other requirements of state and/or federal tax law that may be necessary in order for the City to issue tax-exempt debt.

SEC. 8-17.10 CFD COST DEPOSITS AND REIMBURSEMENTS. All City and consultant costs incurred in the evaluation of CFD applications and the establishment of CFDs will be paid by the entity requesting the establishment of the CFD by advance deposit increments. The amount of the initial advance deposit shall be determined by the City. The City shall not incur any non-reimbursable expenses for processing and administering CFDs. Expenses not chargeable to the CFD shall be directly borne by the applicant.

Each petition for formation of a CFD shall be accompanied by the initial deposit in the amount determined by the City to fund initial staff and consultant costs associated with CFD review and implementation. If additional funds are needed to off-set costs and expenses incurred by the City, the City shall make written demand upon the applicant for such funds. If the applicant fails to make any deposit of additional funds for the proceedings, the City may suspend all proceedings until receipt of such additional deposit.

The City shall not accrue or pay any interest on any portion of the deposit refunded to the applicant or the costs and expenses reimbursed to the applicant. Neither the City nor the CFD shall be required to reimburse the applicant or property owner from any funds other than the proceeds of bonds issued by the CFD.

SEC. 8-17.11 CONTINUING DISCLOSURE. Landowners owning land within any CFD, and which are responsible for ten percent (10%) or more in the aggregate of the special taxes or assessments, must agree to provide A) initial financial disclosure at the time of issuance of any bonds relating to such CFD; and B) annual financial disclosure as required under Rule 15c2-12 of the Securities Exchange Commission until the time at which the aggregate special tax of such landowner is less than 10%.

SEC. 8-17.12 USE OF CONSULTANTS. The City shall select all consultants necessary for the formation of the CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisors, appraiser, absorption consultant, and the special tax consultant. Prior consent of the applicant shall not be required in the determination by the City of the consulting and financing team.

SEC. 8-17.13 EXCEPTIONS TO THESE POLICIES. The City may find in limited and exceptional instances that a waiver to any of the above stated policies is reasonable given identified special City benefits to be derived from such waiver. Such waivers only will be granted by action of the City Council.