CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/19/01
AGENDA ITEM 6
WORK SESSION ITEM _____

TO: Mayor and City Council
Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Introduction of Ordinance Approving the Proposed Amendment to the Downtown Hayward Redevelopment Plan and Approval of a Resolution Regarding the Findings in Response to Written Objections to the Amended Redevelopment Plan

RECOMMENDATION:

It is recommended that the City Council:

- Adopt the attached resolution of findings in response to written objections to the proposed Redevelopment Plan Amendment; and
- Introduce the attached Ordinance adopting the proposed Redevelopment Plan Amendment.

BACKGROUND:

On June 12, 2001 the Redevelopment Agency and City Council held a joint public hearing to consider a proposed Amendment to the Downtown Hayward Redevelopment Plan. During the public hearing on June 12th, the Agency/City Council heard from approximately 16 persons regarding the proposed Redevelopment Plan Amendment. The two primary objections voiced by those speaking were: 1) the potential for the use of eminent domain to acquire properties within the proposed Plan Amendment Area, and 2) that the affected residents and property owners did not receive propert notice of the June 12th public hearing. Two other issues raised by multiple speakers had to do with the term "blight" being applied to their neighborhood or property, and with issues specific to their neighborhood.

With respect to the acquisition of property by eminent domain, it is noted that there are currently no plans to acquire any property by eminent domain in the proposed Amendment Area. If at some future date property acquisition is deemed worthy of consideration every attempt will first be made to acquire properties on a voluntary basis and at fair market value. Only if diligent attempts to reach a voluntary agreement are unsuccessful does the Agency consider the use of eminent domain.

With respect to the concerns that were raised by property owners that they did not receive proper notice, staff has researched the addresses of each person whose address was listed on a letter, and every such property was included in the mailing list. The newsletters noticing the joint public hearing were mailed thirty days in advance of the public hearing to every address in the project area, and to every property owner.

With respect to concerns regarding the use of the term "blight", staff noted at the meeting that it is necessary under State law for the Agency to prove a preponderance of blight, as that term is defined, in order for the area to be included in the Redevelopment Plan. While some of the blight factors that were cited for residential properties may be considered minor in and of themselves, the cumulative effect of a number of minor issues relative to such properties, along with other blight factors affecting public lands, infrastructure, or private commercial properties in the neighborhood add up to an area that is in need of assistance through redevelopment.

A number of speakers noted problems in their neighborhood that were attributable to factors beyond the control of individual property owners. Problems with the condition of streets, vagrants and abandoned cars were noted, as were traffic and parking issues. In addition, a number of residents in the Devon and Bel Aire Drive neighborhood cited issues concerning their proximity to auto dealers and rental car agencies. The issues raised by these speakers attest to the fact that there are problems in many of these residential areas that redevelopment may be able to assist in alleviating over time. Subsequent to the public hearing, staff has been in preliminary contact with a resident of Devon and Bel Aire Drive to explore the possibility of setting up a neighborhood meeting to discuss their concerns.

The attached resolution has been revised in order to respond to the additional written communication regarding the Redevelopment Plan Amendment. Staff recommends the adoption of this resolution and the Ordinance amending the Downtown Hayward Redevelopment Plan.

Prepared by:

Maret Bartlett
Redevelopment Director

Recommended by:

Sylvia Ehrenthal by MB
Sylvia Ehrenthal
Director of Community and Economic Development

Approved by:

Jesús Armas
City Manager

Attachments:
A. Staff Report of June 12, 2001
   Resolution
   Ordinance

EXHIBIT A

CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/12/01
AGENDA ITEM 7
WORK SESSION ITEM

TO: Mayor and City Council
Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Certification of Final Environmental Impact Report, and Introduction of an Ordinance Approving of Proposed Amendment to the Downtown Hayward Redevelopment Plan, and Related Documents

RECOMMENDATION:

It is recommended that the City Council and Redevelopment Agency Board:

- Accept the Reports from the Planning Commission and the Hayward Redevelopment Area Committee;
- Adopt the attached resolutions certifying and adopting the FEIR, Mitigation Monitoring Plan, and Statement of Overriding Considerations;
- Adopt the attached resolution adopting findings in response to written objections on adoption of the proposed Redevelopment Plan Amendment;
- Introduce the attached Ordinance adopting the proposed Redevelopment Plan Amendment; and
- Adopt the attached resolutions approving findings regarding the use of Low and Moderate-Income Housing Funds.

BACKGROUND:

The Redevelopment Agency is considering an Amendment to its Downtown Hayward Redevelopment Plan which would add 738 acres to the existing Project Area along the Mission and Foothill Boulevard corridors, extending both north and south from the existing Redevelopment Project Area to the City limits. The proposed amendment would also increase the Agency's limit on the amount of outstanding bonded indebtedness to $300 million. Finally, the Plan Amendment would revise an existing provision in order to allow acquisition by eminent domain on certain properties in Expansion Area No. 1 of the Existing Redevelopment Area that are currently exempt from eminent domain.

During the past one and one-half years, a number of documents have been prepared in conjunction with the proposed amendment. The three primary documents that describe the

proposed Amendment are the Report to City Council, the Draft and Final EIR, and the Redevelopment Plan Amendment itself. In addition, many meetings have been held to consider various aspects of the proposed Redevelopment Plan Amendment, including a general community meeting, a meeting regarding the proposed annexation of the North Foothill Boulevard area, and multiple meetings of the City Council/Agency Board, the Hayward Redevelopment Committee (HRAC) and the Planning Commission. The following summarizes the proposed Redevelopment Plan and the input that has been gained from the public, taxing entities, the HRAC and the Planning Commission.

Existing Conditions in the Proposed Amendment Area

In order for an area to be considered for inclusion in a redevelopment project, state law requires that the area meet a "five-part test", which is discussed in detail in the Report to Council which was distributed on May 8, 2001. Essentially, the area must be predominantly urbanized, the area must include both physical and economic "blight", the blighting conditions cause a lack of proper utilization of the area, this improper utilization results in a serious burden to the community, and this burden cannot be reversed by private enterprise or by the public sector without the assistance of redevelopment.

Chapters 5, 6 and 7 of the Report to Council document the Agency's evidence that the proposed Amendment Area meets this five-part test. The area is considered to be 100% urbanized. Numerous blighting physical conditions were documented in the proposed Redevelopment Plan Amendment area. Approximately 44 percent of all structures in this proposed added area were found to be in a state of disrepair and need renovation. Nearly 50% of commercial blocks are affected by obsolesecence. Approximately 35% of all properties are affected by incompatible uses. Other blighting economic conditions found in the Redevelopment Plan Amendment area include declining or stagnant property values, the presence of hazardous materials, vacant and underutilized properties, inadequate parcel size, residential overcrowding, high absentee ownership and a relatively high crime rate.

Proposed Projects and Implementation Plan

It is anticipated that projects undertaken in the proposed Amendment Area will reflect the goals outlined in Chapter One of the Report to the City Council. These goals include:

- Develop attractive gateways to the City and to neighborhoods
- Increase quality and quantity of parks and other recreational facilities
- Support quality affordable and market rate housing
- Support circulation and traffic-related improvements along arterial roadways
- Attract neighborhood and community serving commercial development
- Install public improvements as needed in neighborhood areas
- Improve the capacity of auto dealerships by clustering dealers and developing common amenities
- Consider a mixed-use plan for the South Hayward BART Station.

The projects proposed as part of the first Five-Year Implementation Plan found in Chapter 12 of the Report to Council reflect these goals, and were also designed with the needs of various neighborhoods within the proposed Amendment area in mind.

Project Feasibility

The proposed amendment area is projected to generate a total of $146.3 million in present value tax increment dollars over the 45 life of the Plan (in unadjusted dollars, this amount equates to $441.9 million). Of this amount, approximately $49 million would be "passed through" to various local agencies, leaving approximately $97.3 million for affordable housing, redevelopment projects and administration. The Low and Moderate Income Housing Fund receives a mandatory 20% of the gross tax increment generated, and is expected to receive approximately $29.3 million; therefore, approximately $68 million would be available for projects and administration. The projected revenues would fund a number of projects designed to revitalize the area, and is thus projected to be feasible. The Amendment Area is projected to fund an estimated $769,000 in present value dollars for projects and $265,000 for affordable housing in the first five year implementation period.

Final Environmental Impact Report

The Draft Environmental Impact Report was released for distribution on February 21, 2001, and the Final Environmental Impact Report (FEIR) was released and referred to the Planning Commission on May 8, 2001. The FEIR incorporates and, where appropriate, revises the Draft EIR in response to comments made by interested parties and the City/Agency. The FEIR is a Program EIR and is used to describe the foreseeable, general impacts of a plan or program. Site-specific impacts of future projects that implement the plan can only be analyzed in greater detail once the exact nature of the project is known. The FEIR identified several environmental impacts that could potentially be significant and unavoidable even after implementation of mitigation measures. These include cumulative regional traffic growth and roadway congestion, short-term construction-related noise, seismic ground shaking and alteration or demolition of historic properties and features for some situations. Under the California Environmental Quality Act, the Agency must weigh these potential impacts against the benefits of the proposed Amendment before considering whether to approve the Amendment. By approving the attached resolutions the Agency and Council would make the findings that the benefits of the Plan Amendment outweigh the unavoidable environmental impacts in that the Amendment will serve to:

- eliminate and prevent the spread of blight in the Amendment Area;
- promote new private sector investment;
- create job opportunities;
- retain and facilitate expansion of existing businesses;
- eliminate certain environmental deficiencies and infrastructure deficiencies; and
- promote proper land use, quality urban design and architecture in the Amendment Area.

The Mitigation Monitoring and Reporting Program (MMRP) for the Plan Amendment is also included as part of the EIR resolutions. The MMRP substantially incorporates the mitigation measures identified in the FEIR, with the exception that Agency and City funding programs that were suggested in the Draft EIR have been removed from the MMRP in order to clarify that such programs or funding mechanisms are not mandatory mitigation measures, and because such programs are dependant on future funding availability.

Report From the Planning Commission

The Planning Commission reviewed the FEIR on May 24, 2001. There were no comments made by the public during that meeting. After discussing certain aspects of the FEIR and the proposed Redevelopment Plan Amendment, the Planning Commission adopted a resolution in support of adopting the proposed Plan Amendment, with the finding that it is in conformance with the City's General Plan, and recommended that the Agency Board certify the FEIR.

Report From the Hayward Redevelopment Area Committee

The HRAC has met a total of eight times to consider the proposed Redevelopment Plan Amendment. On May 30, 2001 the HRAC considered and adopted by motion a Report to the City Council/Agency Board regarding the proposed Redevelopment Plan Amendment. This Report is attached as Attachment C. The HRAC made a number of general policy recommendations regarding the proposed Plan Amendment. The Committee's primary concern regarding the Amendment Area has to do with traffic, and the need to provide solutions to the traffic situation along Mission and Foothill Boulevards. A particular need is to increase the amount of mass transit connections between the BART Stations, Cal State Hayward, Chabot Community College, and other areas of the City. The HRAC also believes that the Agency should seek to preserve existing small businesses and viable buildings where possible and that the Agency should mitigate the loss of affordable housing that may result from the revitalization cf neighborhoods.

The HRAC also had several recommendations regarding the Implementation Plan, including:

- Develop a commercial rehabilitation program for existing businesses
- Continue to encourage PG&E's utility undergrounding efforts on Mission Boulevard
- Pursue greater approval rights and oversight regarding Route 238, Mission and Foothill Boulevard
- Extend the proposed banner program on "auto row" throughout the Amendment Area

The Report to Council will incorporate the Report of the HRAC as well as that of the Planning Commission, and stand as part of the record of the adoption proceedings. With respect to the recommendations by the HRAC, staff has no objection to the general recommendations, with the caveat that financial assistance for seismic upgrades to structures in the Redevelopment Area should be viewed as assistance on a case-by-case basis for the next five year period, since funding is inadequate for a full scale program at this time. With respect to the HRAC's recommendations on the Implementation Program, staff supports the recommendation regarding future utility undergrounding efforts along Mission Boulevard. Regarding the recommendations

for funding a commercial rehabilitation program and extended banner program, while staff supports the spirit in which these recommendations were made, we believe that these programs should be considered at the next five-year implementation cycle when additional funding may be available.

With respect to the HRAC's statements and recommendations regarding traffic conditions in the Mission-Foothill corridor, staff offers the following responses. First, traffic congestion is not included in the definition of blight under state redevelopment law. In addition, the Redevelopment Agency has no jurisdiction over street or highway design and maintenance. Finally, staff believes that traffic congestion can be mitigated in ways other than by direct roadway improvements. For example, by fostering transit-oriented development and pedestrian amenities, the Agency can encourage residents and employees in the community to use existing mass transit resources and encourage additional mass transit opportunities.

Public Comment

On May 11, 2001, a second newsletter and notice of the joint public hearing was sent out to all property owners, residents and businesses in the existing Redevelopment Area and the proposed Amendment Area. Since that time, staff has received several telephone calls, e-mail messages and visitors to City Hall regarding the proposed Amendment. Of these, most were from homeowners in the amendment area concerned about plans for their neighborhoods, including O'Neil Avenue, Bell Aire and Devon Drives, Rex Road and Luvena Drive. Two other comments were received from commercial property owners. One of the owners has a business in the downtown area, and was critical of the progress of the downtown redevelopment effort. The second comment was received from an owner of an auto sales property on Mission Boulevard, who encouraged the Agency to consider ways of enhancing the identity of auto row.

As previously noted, the proposed Plan Amendment would lift an exemption against the use of eminent domain to acquire housing units in a particular five-block area of downtown, where such homes have been continuously owned and occupied by the same persons since March 28, 1987. The Agency would only be able to approve the use of eminent domain by a two-thirds super-majority vote (five votes), of the Agency Board. Staff attempted to contact the four known affected property owners, and was able to speak with three of the owners or their representatives. Staff had previously been in contact with one of the owners, located on Site 4, who does not wish to sell. A second owner is aware of the proposed Amendment and has no wish to sell his property, and is opposed to changing the eminent domain provision. The third property owner was unavailable, however, a family representative indicated that the owner may consider selling at some point in the next several years.

If the Amendment is approved, it will provide the Agency the authority to consider the use of eminent domain to acquire property. It has long been the Agency's policy to use this method of acquisition only as a last resort, and approval of the recommended Amendment would not alter this practice. Finally, it should be noted there are no plans to acquire any of the affected properties through the use of eminent domain.

Staff has received no formal written objections to the adoption of the Redevelopment Plan Amendment to date, however, the attached resolution responds to e-mail messages and the one letter that has been received to date.

Follow-up Response to Comments Made at June 8, 2001 City Council Meeting

At the June 8, 2001 City Council and Redevelopment Agency meeting, several questions and comments were made regarding the proposed Plan Amendment. One of these has to do with the Redevelopment Plan's relationship to the City's General Plan. The Redevelopment Plan is required to be in conformance to the City's General Plan, and is presumed to follow the City's General Plan as that document is modified over the years. The redevelopment program follows and implements the City's land use policies; it does not set land uses or land use policy. A second comment was made regarding the programmatic and project goals for the Agency. The Plan Amendment goals outlined earlier in this in this report are intended to set a direction for the redevelopment program; however, the Redevelopment Plan itself is written to be flexible in order to respond to changing conditions and opportunities during its 30-year implementation period. Similarly, while the Implementation Plan sets a course for the Agency to follow over the next five-year period, it is necessarily a flexible document that is intended to be subject to the annual budget process as well as redevelopment opportunities that may arise. The Implementation Plan is also reviewed by the Agency and revised as necessary during the mid-point of the five-year implementation period. Finally, a question was raised regarding pass through payments to the Educational Revenue Augmentation Fund (ERAF). The ERAF is a fund, not a taxing entity, and by law, the Agency is only required to pass through a portion of its tax increment revenues to pre-existing taxing entities. Moreover, the state is required to reimburse the school districts for any loss that may be incurred under redevelopment, including the ERAF fund. The school districts will incur no loss in revenues as a result of redevelopment program.

Use of Low and Moderate Income Housing Funds Outside the Project Area

One of the Agency resolutions proposed for adoption contains findings that the use of Low and Moderate Income Housing funds outside of the proposed Amendment Area will be of benefit to the Project Area, in order to provide more flexibility for the use of this fund. The Agency previously adopted such resolutions for the Existing Redevelopment Area, and Low and Moderate-Income Housing funds have historically been used to fund affordable housing activities both within and outside of the Project Area. This policy would simply be extended to the Amendment Area.

Conclusion

Staff recommends that the Agency Board and City Council take all the actions necessary to approve the proposed Redevelopment Plan Amendment. In the event that written objections are received prior to the conclusion of the Joint Public Hearing, the City Council will need to defer introducing the Ordinance to amend the Redevelopment Plan until June 19, 2001, and will then need to approve of the written responses to such objections prior to considering adoption of the Redevelopment Plan Amendment.

Prepared by:

Maret Bartlett
Redevelopment Director

Recommended by:

Sylvia Ehrenthal
Director of Community and Economic Development

Approved by:

Jesús Armas
City Manager

Attachments:

A. Map of the Proposed Amendment Area
B. Map of Redevelopment Expansion Area No. 1 - 1987 Residential Owner-Occupants
C. HRAC Report to the Hayward Redevelopment Agency and City Council
   Resolutions
   Ordinance

DRAFT

6/7/01
mmt

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD ADOPTING FINDINGS IN RESPONSE TO WRITTEN OBJECTIONS ON ADOPTION OF THE AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DOWNTOWN HAYWARD REDEVELOPMENT PROJECT

WHEREAS, in accordance with the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Hayward (the "Agency") prepared and submitted to the City Council of the City of Hayward (the "City Council") a proposed Amendment to the Redevelopment Plan (the "Amendment") for the Downtown Hayward Redevelopment Project (the "Project"); and

WHEREAS, the City Council and the Agency held a joint public hearing on June 12, 2001, on adoption of the Amendment; and

WHEREAS, the City Council has provided an opportunity for all persons to be heard and has received and considered all written comments received and all evidence and testimony presented for or against any and all aspects of the Amendment; and

WHEREAS, Section 33363 of the Health and Safety Code provides that before adopting the redevelopment plan, the legislative body shall make written findings in response to each written objection of an affected property owner or taxing entity and shall respond in writing to the written objections received before or at the noticed public hearing.

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

1. The City Council has considered all evidence and testimony on the adoption of the Amendment and has responded in writing to the written objections received before or at the noticed public hearing.

2. The City Council hereby adopts the written findings in response to each written objection of affected property owners and taxing entities attached hereto as Exhibit A and incorporated herein by reference.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2001.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:_____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

DUE TO THE LENGTH OF CERTAIN REFERENCED EXHIBITS, THEY ARE NOT AVAILABLE FOR WEBSITE VIEWING. THE AGENDA REPORT IN ITS ENTIRETY IS AVAILABLE FOR REVIEW IN THE CITY CLERK'S OFFICE, REDEVELOPMENT AGENCY OFFICE, AND AT THE MAIN LIBRARY.

DRAFT

mnf
6/7/01

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAYWARD, CALIFORNIA, AMENDING ORDINANCE NO. 75-029, AS PREVIOUSLY AMENDED AND APPROVING AND ADOPTING THE AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DOWNTOWN HAYWARD REDEVELOPMENT PROJECT – MISSION/FOOTHILL BOULEVARD CORRIDOR

WHEREAS, the City Council of the City of Hayward (the "City Council") originally approved and adopted the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Hayward Redevelopment Project (the "Project") on December 30, 1975, by Ordinance No. 75-029 and amended the Redevelopment Plan on December 16, 1986, by Ordinance No. 96-041, on April 21, 1987, by Ordinance No. 87-009, on July 28, 1992, by Ordinance No. 92-21, on December 20, 1994, by Ordinance No. 94-30 and on November 10, 1998, by Ordinance No. 98-16; and

WHEREAS, the Redevelopment Agency of the City of Hayward (the "Agency") has been designated as the official redevelopment agency to carry out in the City of Hayward the functions and requirements of the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) and to implement the Redevelopment Plan; and

WHEREAS, the Agency has proposed an Amendment to the Redevelopment Plan for the Project (the "Amendment") to provide for the addition of certain area to the Project Area (the "Amendment Area"), amend certain financial limits relating to the entire Project Area and make other textual changes in connection therewith; and

WHEREAS, the Planning Commission of the City of Hayward (the "Planning Commission") has reviewed the Amendment and recommended the approval and adoption of the Amendment, together with its certification that the Amendment conforms to the General Plan of the City of Hayward; and

WHEREAS, the Hayward Redevelopment Area Committee has reviewed the Amendment and recommended the approval and adoption of the Amendment; and

WHEREAS, the Agency prepared and circulated a Draft Environmental Impact Report (the "Draft EIR") on the Redevelopment Plan Amendment in accordance with the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 et seq.) and environmental procedures adopted by the Agency pursuant thereto, and the Draft EIR was thereafter revised and supplemented to incorporate comments received and responses thereto, and, as so revised and supplemented, a Final Environmental Impact Report (the "Final EIR") was prepared by the Agency; and

WHEREAS, the City Council has received from the Agency the proposed Amendment, together with the Report of the Agency and the Final EIR on the Amendment; and

WHEREAS, the City Council and the Agency held a joint public hearing on June 12, 2001, on adoption of the Amendment and on approval and the certification of the Final EIR on said Amendment, in the City Council Chambers, City Hall, 777 B Street, Hayward, California; and

WHEREAS, a notice of said hearing was duly and regularly published in the Daily Review , a newspaper of general circulation in the City of Hayward, once a week for four successive weeks prior to the date of said hearing, and a copy of said notice and affidavit of publication are on file with the City Clerk and the Agency; and

WHEREAS, copies of the notice of public hearing were mailed by first class mail to the last known address of each assessee of each parcel of land in the existing Project Area, as shown on the last equalized assessment roll of the County of Alameda; and

WHEREAS, copies of the notice of public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which receives taxes from property in the existing Project Area and in the Amendment Area; and

WHEREAS, copies of the notice of public hearing, together with a statement concerning acquisition of property by the Agency were mailed by first class mail to the last known address of each assessee of each parcel of land in the Amendment Area, as shown on the last equalized assessment roll of the County of Alameda; and

WHEREAS, copies of the notice of public hearing were mailed by first class mail to all residents and businesses in the existing Project Area and in the Amendment Area; and

WHEREAS, the Agency and the City Council have reviewed and considered the Final EIR on the Amendment, as prepared and submitted pursuant to Public Resources Code Section 21151 and Health and Safety Code Section 33352, and determined that the Amendment will have a significant effect on the environment and adopted a Statement of Findings, Facts and Overriding Considerations applicable to the environmental impacts identified in the Final EIR; and

WHEREAS, the City Council has considered the Report of the Agency, the Report and Recommendations of the Planning Commission, the Report and Recommendations of the Hayward Redevelopment Area Committee, the Redevelopment Plan and the Final EIR, has provided an opportunity for all persons to be heard and has received and considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan, and has adopted written findings in response to each written objection to the Redevelopment Plan from an affected taxing entity or property owner; and

WHEREAS, all actions required by law have been taken by all appropriate public bodies;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HAYWARD DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The purposes and intent of the City Council with respect to the Amendment are: (1) to add the Amendment Area to the Redevelopment Plan; (2) to define the public improvements for the Amendment Area; (3) to provide for property acquisition in the Amendment Area; (4) to delete the Neighborhood Impact Statement from the Redevelopment Plan; (5) to provide limitations for incurring indebtedness, repaying indebtedness, and Redevelopment Plan effectiveness relating to the Amendment Area; (6) to amend the limitation of bonded indebtedness for the entire Project Area; and (7) to make other minor changes to the Redevelopment Plan.

Section 2. The City Council does hereby specifically find and determine that:

a. It is necessary and desirable to amend the Redevelopment Plan to include the Amendment Area in the Project Area in that the Amendment Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the Community Redevelopment Law, and the inclusion of the Amendment Area is consistent with the goals and objectives of the existing redevelopment project. This finding is based on the fact that:

(1) The Amendment Area includes unsafe or unhealthy buildings and structures due to hazardous materials, the Hayward earthquake fault line, obsolescence, mixed character, and residential overcrowding;

(2) The Amendment Area includes properties which suffer from code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities which cannot be remedied with private or governmental action without redevelopment;

(3) The Amendment Area is characterized by stagnant and unproductive conditions of land caused by irregular parcels in multiple ownership, obsolete commercial uses, deterioration, age, absentee property owners, inadequate parcel size, traffic and circulation problems, piecemeal development, inadequate public facilities and infrastructure and incompatible uses which prevents economically viable uses; and

(4) The Amendment Area includes a prevalence of economic maladjustment evidenced by depreciated property values and impaired investments, vacancies, abandoned buildings, low lease rates, lack of necessary commercial facilities, crime rates.

It is further found and determined that such conditions are causing and will increasingly cause a reduction and lack of proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the

community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment, requiring redevelopment in the interest of the health, safety and general welfare of the people of the City and the State. This finding is based on the fact that governmental action available to the City without redevelopment would be insufficient to cause any significant correction of the blighting conditions, and that the nature and costs of the public improvements and facilities required to correct the blighting conditions are beyond the capacity of the City and cannot be undertaken or borne by private enterprise, acting alone or in concert with available governmental action.

b. The Amendment will enable the Amendment Area and the existing Project Area to be redeveloped in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare. This finding is based upon the fact that redevelopment of the Project Area, including the Amendment Area, as contemplated by the Redevelopment Plan, as amended by the Amendment, will implement the objectives of the Community Redevelopment Law by aiding in the elimination and correction of the conditions of blight and deterioration in the Project Area, including the Amendment Area; providing for planning, development, redesign, clearance, reconstruction or rehabilitation of properties which need improvement; providing affordable housing, including housing for low- and moderate-income persons; providing additional employment opportunities, and providing for higher economic utilization of potentially useful land.

c. The adoption and carrying out of the Amendment, is economically sound and feasible. This finding is based upon the fact that under the Redevelopment Plan, as proposed to be amended, the Agency will be authorized to seek and utilize a variety of potential financing resources, including tax increments; that the nature and timing of public redevelopment assistance will depend on the amount and availability of such financing resources, including tax increments generated by new investment in the Project Area, including the Amendment Area; and that under the Redevelopment Plan, as proposed to be amended, no public redevelopment activity will be undertaken unless the Agency can demonstrate that it has adequate revenue to finance the activity.

d. The Amendment is consistent with the General Plan of the City of Hayward, including, without limitation, the Housing Element of the General Plan which substantially complies with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. This finding is based on the report of the Planning Commission that the Amendment conforms to the General Plan of the City of Hayward.

e. The carrying out of the Amendment will promote the public peace, health, safety and welfare of the City of Hayward and will effectuate the purposes and policies of the Community Redevelopment Law. This finding is based upon the fact that redevelopment, as contemplated by the Redevelopment Plan, as amended by the

Amendment, will benefit the Project Area, including the Amendment Area by correcting conditions of blight and by coordinating public and private actions to stimulate development and improve the economic, social and physical conditions of the Project Area.

f. The condemnation of real property, as provided for in the Redevelopment Plan, as amended by the Amendment, is necessary to the execution of the Redevelopment Plan, and adequate provisions have been made for the payment for property to be acquired as provided by law. This finding is based upon: (1) the need to ensure that the provisions of the Redevelopment Plan, as amended by the Amendment, will be carried out; and (2) the need to prevent the recurrence of blight.

g. The Agency has a feasible method and plan for the relocation of families and persons who may be displaced, temporarily or permanently, from housing facilities in the Amendment Area. This finding is based upon the fact that the Redevelopment Plan provides for relocation assistance according to law.

h. There are, or are being provided, within the Amendment Area, the existing Project Area or within other areas not generally less desirable with regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons who might be displaced from the Amendment Area, decent, safe and sanitary dwellings equal in number to the number of and available to such displaced families and persons and reasonably accessible to their places of employment. This finding is based upon the fact that no person or family will be required to move from any dwelling unit in the Amendment Area until suitable replacement housing is available.

i. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Sections 33411 and 33411.1 of the Community Redevelopment Law; and dwelling units occupied by persons or families of low or moderate income within the Project Area shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Sections 33334.5, 33413, and 33413.5 of the Community Redevelopment Law.

j. All noncontiguous areas of the Project Area, as amended to include the Amendment Area, are either blighted or necessary for effective redevelopment and are not included for the purpose of obtaining the allocation of taxes from the Amendment Area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for their inclusion. This finding is based upon the fact that the boundaries of the Amendment Area were chosen to be added to the existing Project Area as a unified and consistent whole to include lands that were underutilized because of blighting influences, or affected by the existence of blighting influences, and land uses significantly contributing to the condition of blight, which inclusion is necessary to accomplish the objectives and benefits of the Redevelopment Plan.

k. Inclusion of any lands, buildings or improvements in the Amendment Area which are not detrimental to the public health, safety or welfare is necessary for the effective redevelopment of the whole area of which they are a part, and any such areas included are necessary for effective redevelopment and are not included for the purpose of obtaining the allocation of tax increment revenues from such areas without other substantial justification for their inclusion. This finding is based upon the fact that the inclusion of lands, buildings or improvements within the Amendment Area is necessary in order to (1) eliminate underutilized, stagnant and unproductive conditions of land; (2) eliminate deteriorated structures; (3) eliminate inadequate or deteriorated public improvements, facilities and utilities; (4) provide affordable housing, including housing for low- and moderate-income persons; and (5) provide employment opportunities.

l. The elimination of blight and the redevelopment of the Amendment Area could not be reasonably expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based upon the existence of blighting influences, including the lack of adequate public improvements, and the inability of individual developers to economically remove these blighting influences without public assistance to acquire and assemble sites for development, and the provisions of public improvements, facilities and utilities, the inability of low- and moderate-income persons to finance needed improvements, and the inadequacy of other governmental programs and financing mechanisms to eliminate blight, including the provision of necessary public improvements and facilities.

m. The Amendment Area is a predominantly urbanized area as defined by subdivision (b) of Section 33320.1. This finding is based upon the facts, as more particularly set forth in the Report of the Agency to the City Council, that approximately 88 percent of the land in the Amendment Area has been or is developed for urban uses, and 11 percent of the land in the Amendment Area is undeveloped, but is an integral part of an area developed for urban uses.

n. The time limitations in the Redevelopment Plan, as amended by the Amendment, are reasonably related to the proposed projects to be implemented in the Project Area and the ability of the Agency to eliminate blight within the Project Area. This finding is based upon the facts that redevelopment depends, in large part, upon private market forces beyond the control of the Agency and shorter time limitations would impair the Agency's ability to be flexible and respond to market conditions as and when appropriate and would impair the Agency's ability to maintain development standards and controls over a period of time sufficient to assure area stabilization. In addition, shorter time limitations would limit the revenue sources and financing capacity necessary to carry out proposed projects in the Project Area.

Section 3. The City Council is satisfied that permanent housing facilities will be available within three years from the time occupants of the Amendment Area are displaced if any, and that pending the development of such facilities, there will be available to any such displaced

occupants temporary housing facilities at rents comparable to those in the City of Hayward at the time of their displacement. No persons or families of low or moderate income shall be displaced from residences unless and until there is a suitable housing unit available and ready for occupancy by such displaced persons or families at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary and otherwise standard dwellings. The Agency shall not displace any such persons or families until such housing units are available and ready for occupancy.

Section 4. The Council is satisfied that all written objections received before or at the noticed public hearing have been responded to in writing. In addition, written findings have been adopted in response to each written objection of an affected property owner or taxing entity which has been filed with the City Clerk either before or at the noticed public hearing.

Section 5. The mitigation measures, as identified in Council Resolution No. _____ and Agency Resolution No. _____, adopted on June ____, 2001, making findings as to the Final Environmental Impact Report on the Amendment to the Redevelopment Plan, are incorporated into the proposed redevelopment of the Amendment Area.

Section 6. The Redevelopment Plan for the Project, as adopted by Ordinance No. 75-029, and as previously amended on December 16, 1986, by Ordinance No. 96-041, on April 21, 1987, by Ordinance No. 87-009, on July 28, 1992, by Ordinance No. 92-21, on December 20, 1994, by Ordinance No. 94-30 and on November 10, 1998, by Ordinance No. 98-16, is hereby further amended as set forth in the proposed "Amendment to the Redevelopment Plan for the Downtown Hayward Redevelopment Project - Mission/Foothill Boulevard Corridor," attached hereto as Exhibit A and incorporated herein and made a part hereof by reference. As so amended, the Redevelopment Plan is hereby incorporated by reference herein and designated as the official Redevelopment Plan for the Downtown Hayward Redevelopment Project - Mission/Foothill Boulevard Corridor.

The Executive Director of the Agency is hereby authorized to combine the Redevelopment Plan, as amended by this Amendment, into a single document, and said document, when filed with the City Clerk and the Secretary of the Agency, shall constitute the official Redevelopment Plan in place of the document currently constituting said Redevelopment Plan.

Section 7. In order to implement and facilitate the effectuation of the Amendment hereby approved, it may be necessary for the City Council to take certain actions, and accordingly, this City Council hereby (a) pledges its cooperation in helping to carry out the Amendment; (b) requests the various officials, departments, boards and agencies of the City having administrative responsibilities in the Project Area, including the Amendment Area, likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the redevelopment of the Project Area pursuant to the Amendment; (c) stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Amendment; and (d) declares its intention to undertake and complete any proceedings necessary to be carried out by the City under the provisions of the Amendment.

Section 8. Ordinance No. 75-029, as previously amended on December 16, 1986, by Ordinance No. 96-041, on April 21, 1987, by Ordinance No. 87-009, on July 28, 1992, by Ordinance No. 92-21, on December 20, 1994, by Ordinance No. 94-30 and on November 10, 1998, by Ordinance No. 98-16 is continued in full force and effect as further amended by this Ordinance.

Section 9. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan as amended by the Amendment.

Section 10. The City Clerk is hereby directed to record with the County Recorder of Alameda County a notice of the approval and adoption of the Amendment pursuant to this Ordinance containing a statement that proceedings for the redevelopment of the Project Area, including the Amendment Area, pursuant to the Amendment have been instituted under the California Community Redevelopment Law.

Section 11. The City Clerk is hereby directed to transmit a copy of this Ordinance Amending the Redevelopment Plan, a description of the land within the Amendment Area, and a map or plat indicating the amendments to the boundaries of the Project Area, to the auditor, assessor and tax collector of the County of Alameda, to the governing body of each of the taxing agencies which levies taxes upon any property in the Project Area, as amended, and to the State Board of Equalization.

Section 12. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its passage.

Section 13. Publication. The City Clerk is hereby ordered and directed to certify to the passage of this Ordinance and to cause the same to be published once in the Daily Review, a newspaper of general circulation, published and circulated in the City of Hayward, California.

Section 12. Severability. If any part of this Ordinance, or the Amendment which it approves, is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Amendment, and this City Council hereby declares that it would have passed the remainder of the Ordinance, or approved the remainder of the Amendment, if such invalid portion thereof had been deleted.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the _____

day of _____, 2001 by Councilmember _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward held the ____ day of

_____, 2001, by the following votes of members of said City Council.

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:_____

BY:_____
Mayor of the City of Hayward

ATTEST:_____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward

SIXTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DOWNTOWN HAYWARD REDEVELOPMENT PROJECT

The Redevelopment Plan for the Downtown Hayward Redevelopment Project, adopted by the City Council of the City of Hayward on December 30, 1975, by Ordinance No. 75-029 and amended on December 16, 1986, by Ordinance No. 96-041, on April 21, 1987, by Ordinance No. 87-009, on July 28, 1992, by Ordinance No. 92-21, on December 20, 1994, by Ordinance No. 94-30 and on November 10, 1998, by Ordinance No. 98-16 is hereby further amended as follows:

Section 1. General Definitions.

a. Definition of "Project Area." The definition of the term "Project Area" in Section II. of the Redevelopment Plan is hereby amended to read as follows:

> "Project Area" means the area included within the boundaries of the Downtown Hayward Redevelopment Project as shown on Exhibit A, including the area subject to the original redevelopment plan and the areas within Project Expansion Area No.1, Project Expansion Area No. 2 and Project Expansion Area No. 3."

b. Definition of "Project Expansion Area No. 3." A definition of the term "Project Expansion Area No. 3" is hereby added to Section II of the Redevelopment Plan to read as follows:

> "Project Expansion Area No. 3 means that area delineated as Project Expansion Area No. 3 on Exhibit A and described in Section III."

Section 2. Legal Description of Project Expansion Area No. 3.

The following is hereby added to Section III of the Redevelopment Plan:

"Project Expansion Area No. 3 is delineated on the Project Boundary Map, attached hereto as Exhibit A and by this reference made a part hereof, and is more particularly described on the Legal Description of Project Expansion Area No. 3 attached hereto as Exhibit C, and by this reference made a part hereof.

Section 3. Public Improvements for Project Expansion Area No. 3.

Section V.B. of the Redevelopment Plan is hereby amended by adding the following language:

"Within Project Expansion Area No. 3, anticipated improvements include the following:

- Develop attractive entryways to identify neighborhood and City entrances;
- Institute a streetscape program to improve, establish and upgrade pedestrian amenities, public parking and transit along arterials in the Project Area;
- Increase the amount and upgrade the quality of open space, public parks, trails, parking and recreational, cultural, transit and community facilities;
- Complete sidewalk, utilities undergrounding, and lighting improvements within the area."

Section 4. Property Acquisition.

a. Paragraph V.E.1.d. is hereby amended to read as follows:

"Within Project Expansion Area No. 1, acquisition of property by eminent domain is not authorized for any residential properties which the Agency determines were owned and occupied by the property owners as of March 28, 1987, so long as such properties continue to be occupied by said property owners or, as to such properties, the Agency has adopted a resolution of necessity pursuant to Article 2 of Chapter 4 of Title 7 of the Code of Civil

Procedure (commencing with Section 1245.210 by a vote of two-thirds (2/3) of all the members of the Agency."

b. The first sentence of the next to the last paragraph of Section V.E.1. of the Redevelopment Plan is hereby amended to read as follows:

> "In no event shall the Agency institute eminent domain proceedings to acquire property within the Project Area after November 10, 2010, except that the Agency may institute eminent domain proceedings to acquire property within Project Expansion Area No. 3 for a period of twelve (12) years after the adoption of the ordinance approving the Sixth Amendment to the Redevelopment Plan."

Section 5. Residential Areas.

The following language is hereby added to Section VI.B.3. of the Redevelopment Plan:

> "Within Project Expansion Area No. 3, there are approximately 2,730 dwelling units at the time of adoption of the Sixth Amendment to the Redevelopment Plan. It is anticipated that approximately 718 net new housing units may be developed in Project Expansion Area No. 3 during the life of the Plan."

Section 6. Neighborhood Impact Statement.

Section VII of the Redevelopment Plan, "Neighborhood Impact Statement," is hereby deleted in its entirety.

Section 7. Time Limitations.

a. Limitation on Incurring Indebtedness. Section VIII.B. of the Redevelopment Plan is hereby amended by adding the following language to the third from the last paragraph of said section:

> "Project Expansion Area No. 3: **[20 years from date of adoption of Sixth Amendment.]**"

b. Limitation on Repaying Indebtedness. Section VIII.B. of the Redevelopment Plan is hereby amended by adding the following language to the last paragraph of said section:

"Project Expansion Area No. 3: **[45 years from date of adoption of Sixth Amendment.]"**

c. Limitation on Effectiveness of Redevelopment Plan. Section XI of the Redevelopment Plan is hereby amended by adding the following language to the first paragraph of said section:

"Project Expansion Area No. 3: **[30 years from date of adoption of Sixth Amendment.]"**

Section 8. Limitation on Bonded Indebtedness.

The last sentence of Section VIII.E. of the Redevelopment Plan is hereby amended to read as follows:

> "As to the entire Project Area, no more than $300,000,000 of bonded indebtedness to be repaid in whole or in part from tax increments shall be outstanding at any one time without further amendment of this Plan."

Section 9. Revised Project Boundary Map.

The Project Boundary Map attached to the Redevelopment Plan as Exhibit A is hereby deleted and the Revised Project Boundary Map attached hereto as Exhibit A is substituted in its place.

Section 10. Revised Land Use Map.

The Land Use Map attached to the Redevelopment Plan as Exhibit B is hereby deleted and the Revised Land Use Map attached hereto as Exhibit B is substituted in its place.

Section 11. Miscellaneous.

a. The first word in the second paragraph of Section V.H.1.e. is hereby changed to "Acquirers."

Section 12. Preparation of Integrated Redevelopment Plan.

The Executive Director of the Redevelopment Agency is hereby directed to integrate the contents of this Sixth Amendment into the Redevelopment Plan and to promulgate such integrated document as the official Redevelopment Plan for the Downtown Hayward Redevelopment Project. In so doing, the Executive Director may make such minor clerical changes as may be required, including changes to numeration.

EXHIBIT "A"

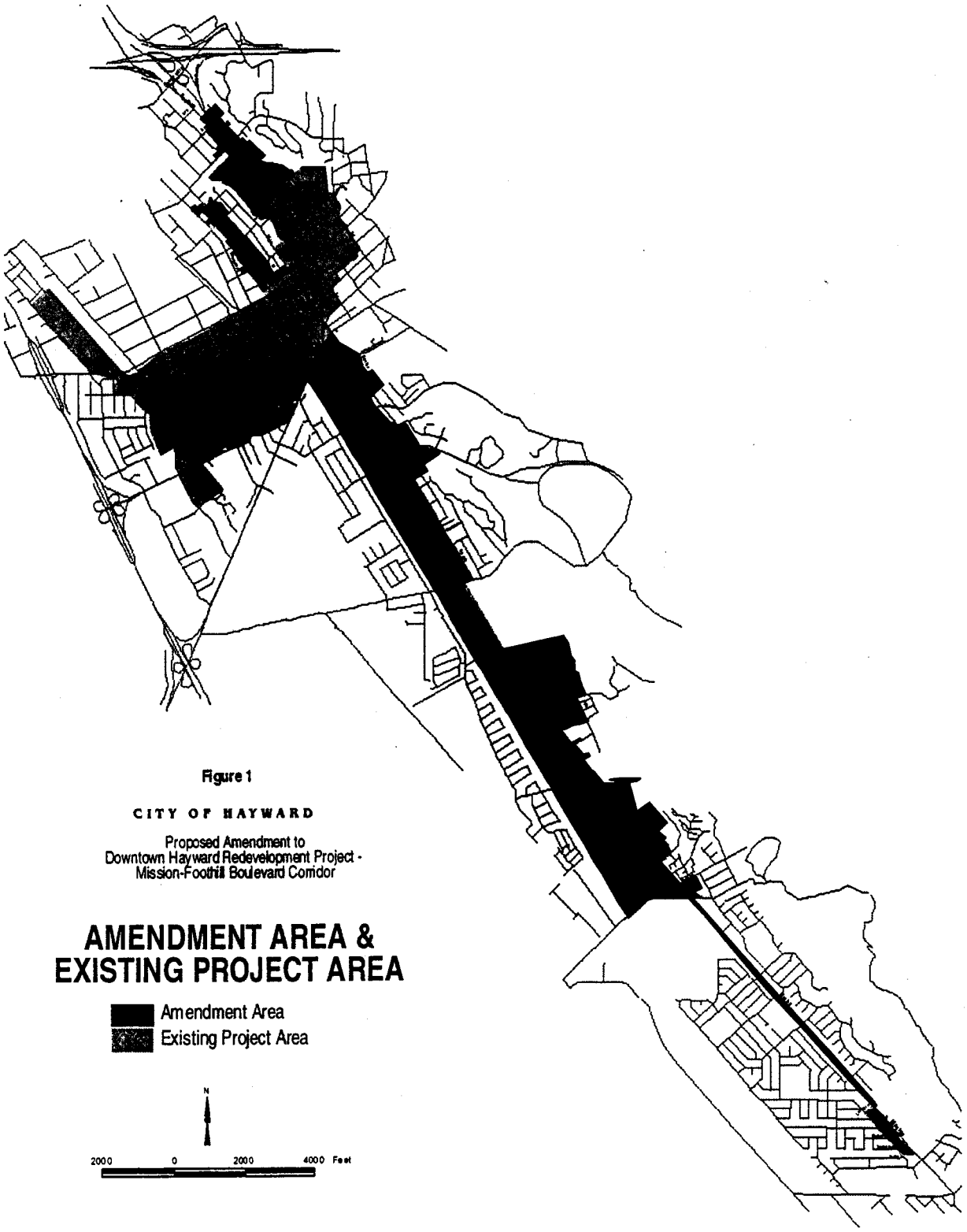
Figure 1
CITY OF HAYWARD
Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor
AMENDMENT AREA &
EXISTING PROJECT AREA
Amendment Area
Existing Project Area
N
2000
0
2000
4000 Feet

EXHIBIT "A"

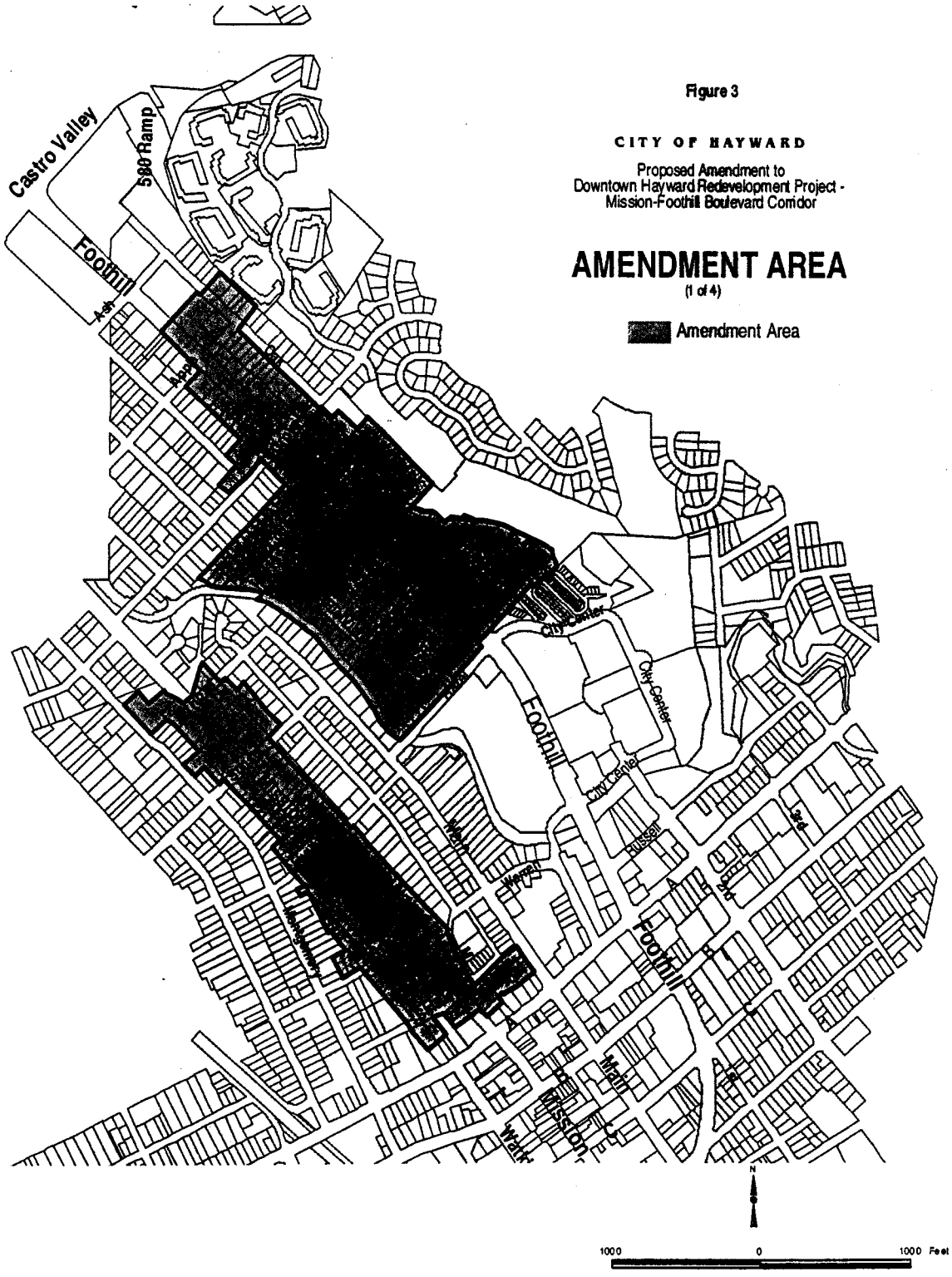
Figure 3
CITY OF HAYWARD
Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor
AMENDMENT AREA
(1 of 4)
Amendment Area
Castro Valley
580 Ramp
Foothill
Ash
City Center
Foothill
City Center
City Center
Russell
Warren
Foothill
Main
Mission
N
1000
0
1000 Feet

EXHIBIT "A"

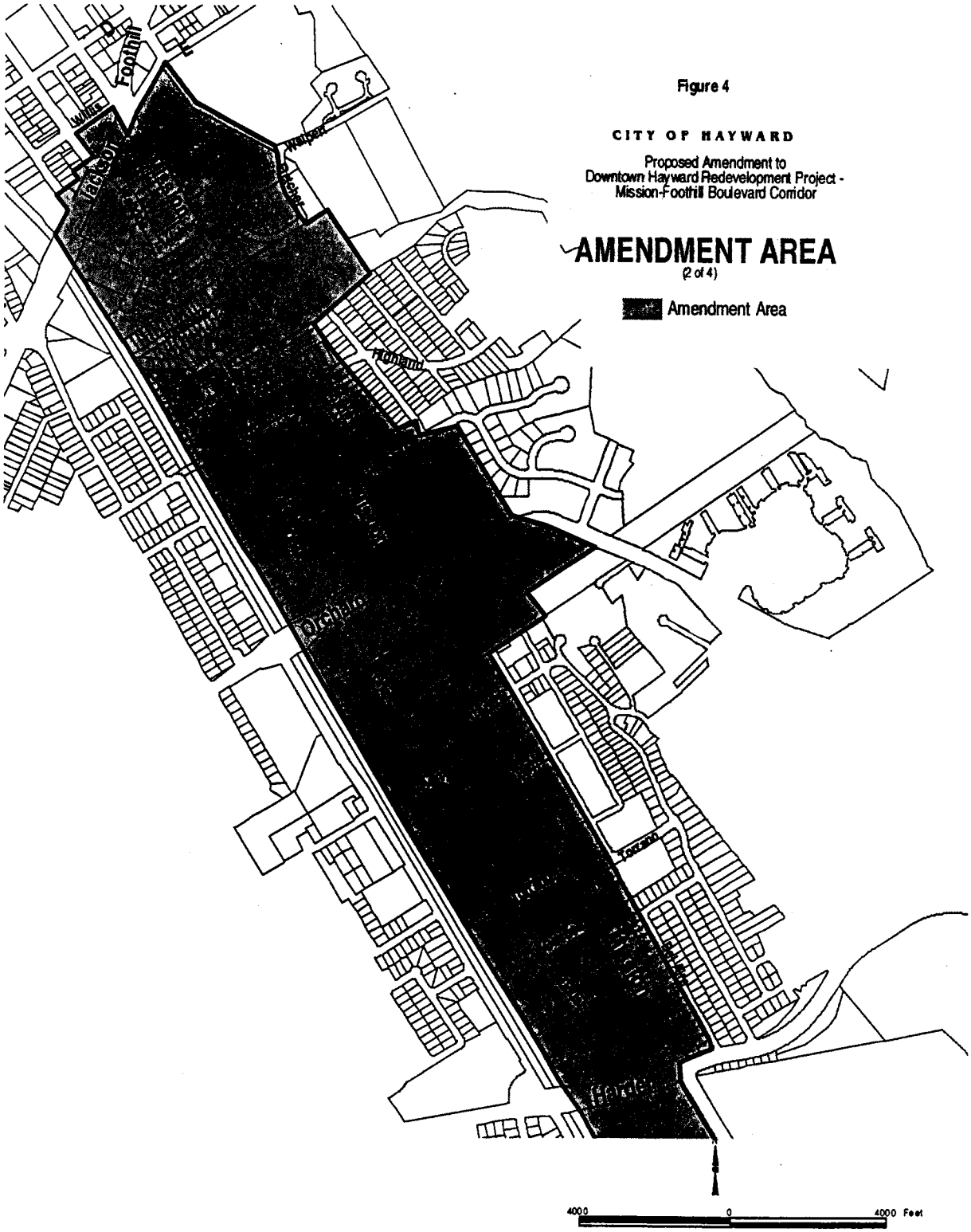

Figure 4

CITY OF HAYWARD

Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor

AMENDMENT AREA
(2 of 4)

Amendment Area

EXHIBIT "A"

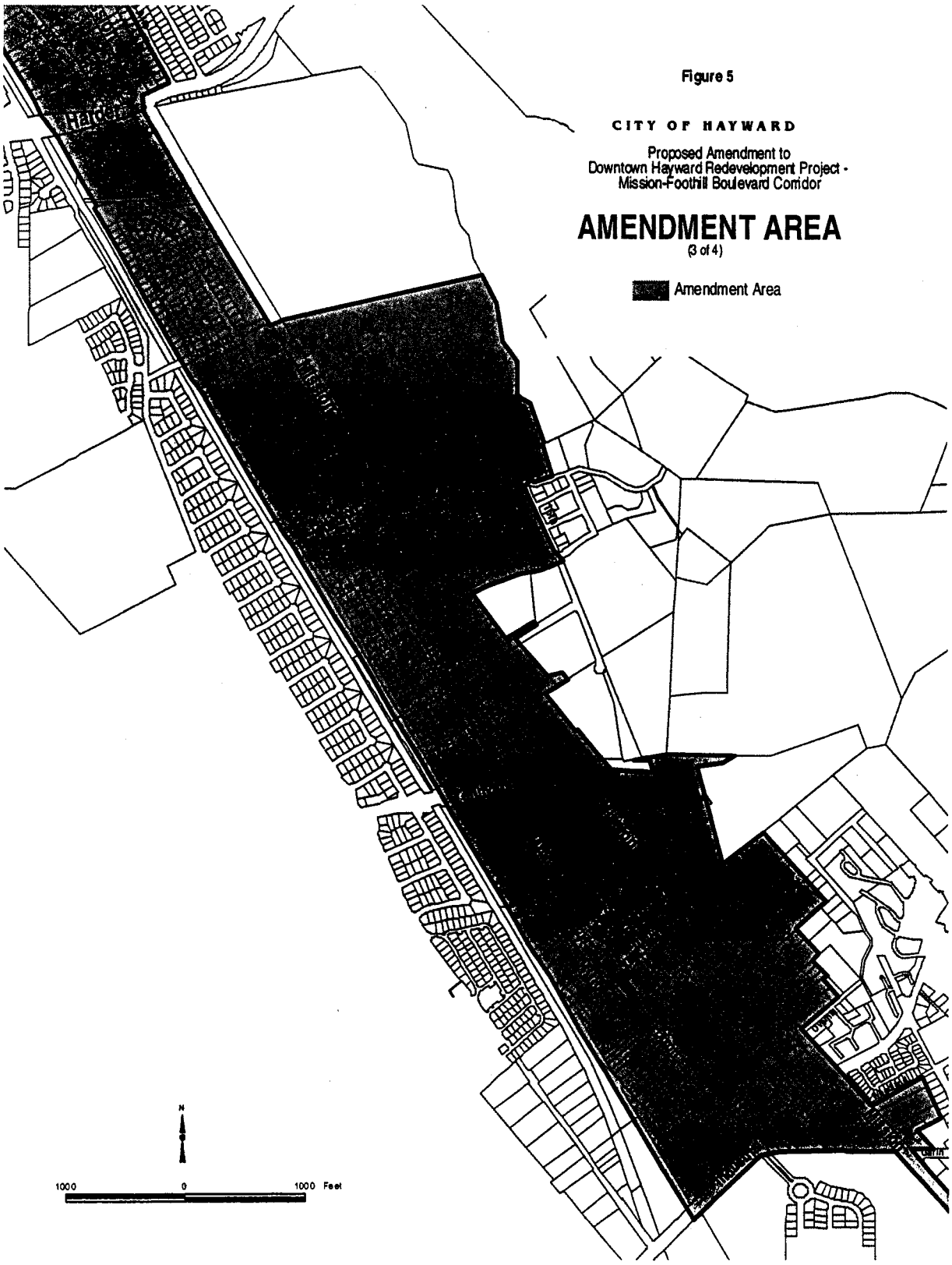
Figure 5
CITY OF HAYWARD
Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor
AMENDMENT AREA
(3 of 4)
Amendment Area
N
1000
0
1000 Feet

EXHIBIT "A"

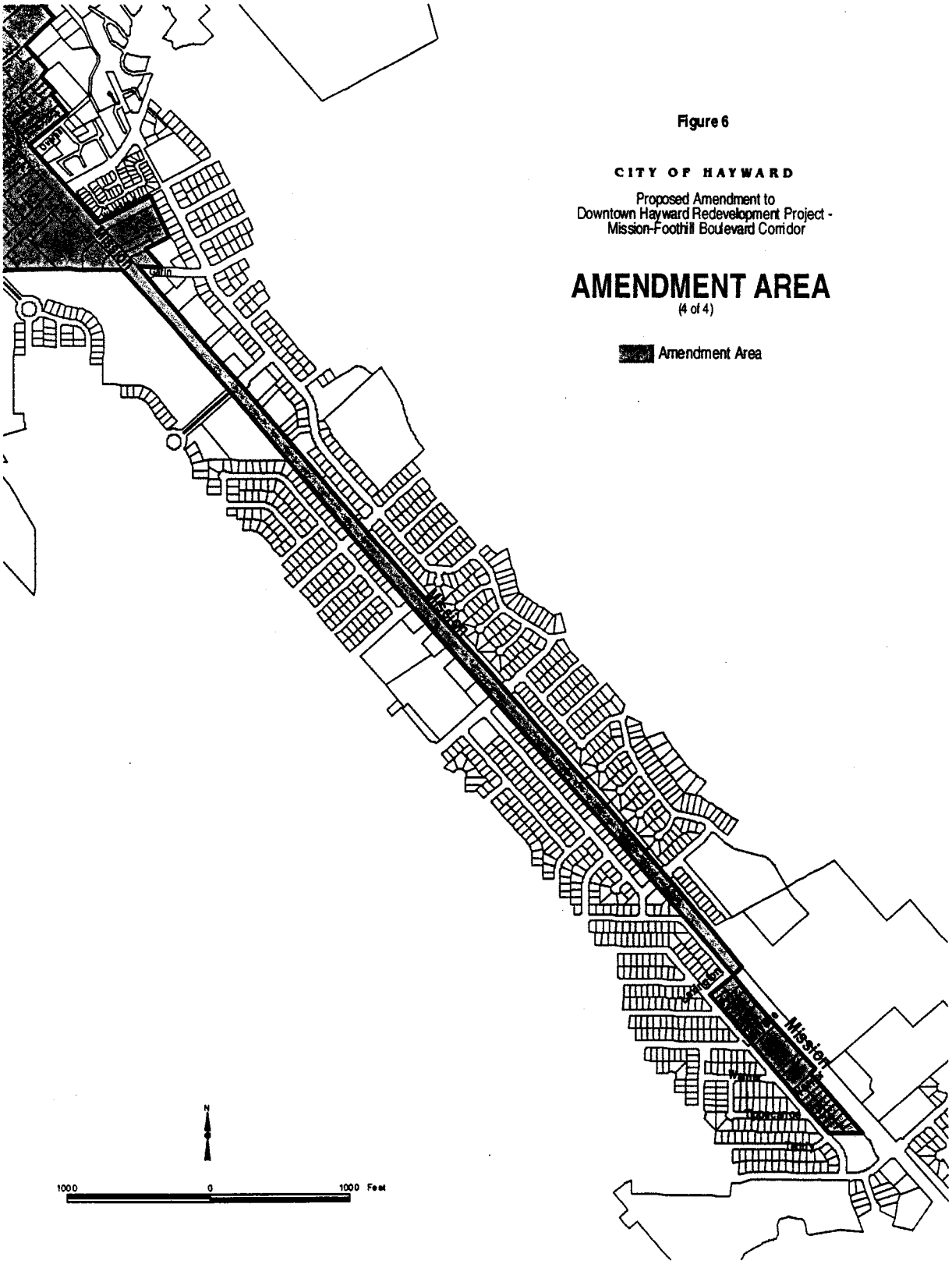
Figure 6
CITY OF HAYWARD
Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor
AMENDMENT AREA
(4 of 4)
Amendment Area
Mission
N
1000
0
1000 Feet

EXHIBIT B

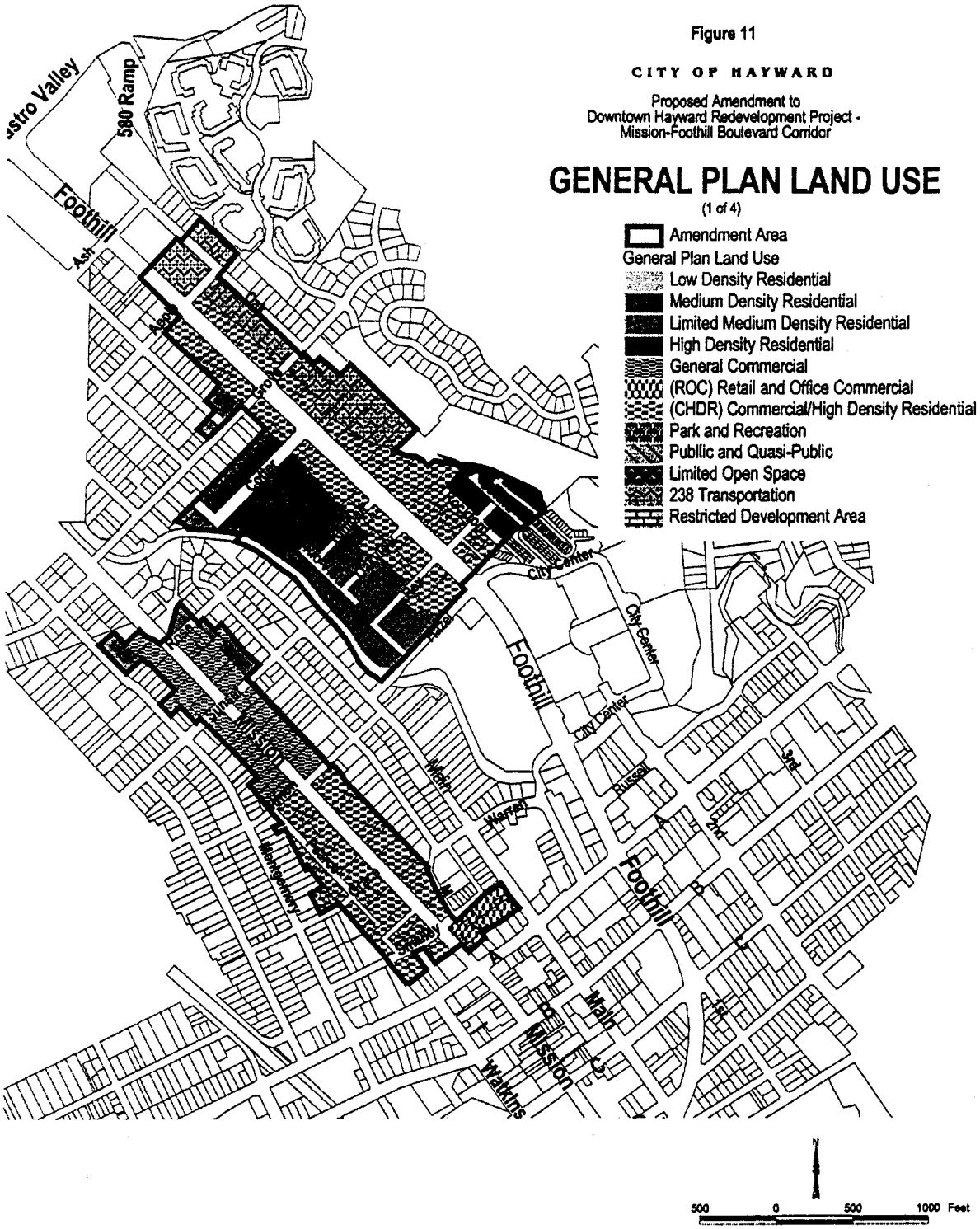
Figure 11
CITY OF HAYWARD
Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor
GENERAL PLAN LAND USE
(1 of 4)
Amendment Area
General Plan Land Use
Low Density Residential
Medium Density Residential
Limited Medium Density Residential
High Density Residential
General Commercial
(ROC) Retail and Office Commercial
(CHDR) Commercial/High Density Residential
Park and Recreation
Publlic and Quasi-Public
Limited Open Space
238 Transportation
Restricted Development Area
580 Ramp
Foothill
Mission
City Center
Main
Russell
Warren
Montgomery
Watkins
500 0 500 1000 Feet

EXHIBIT B

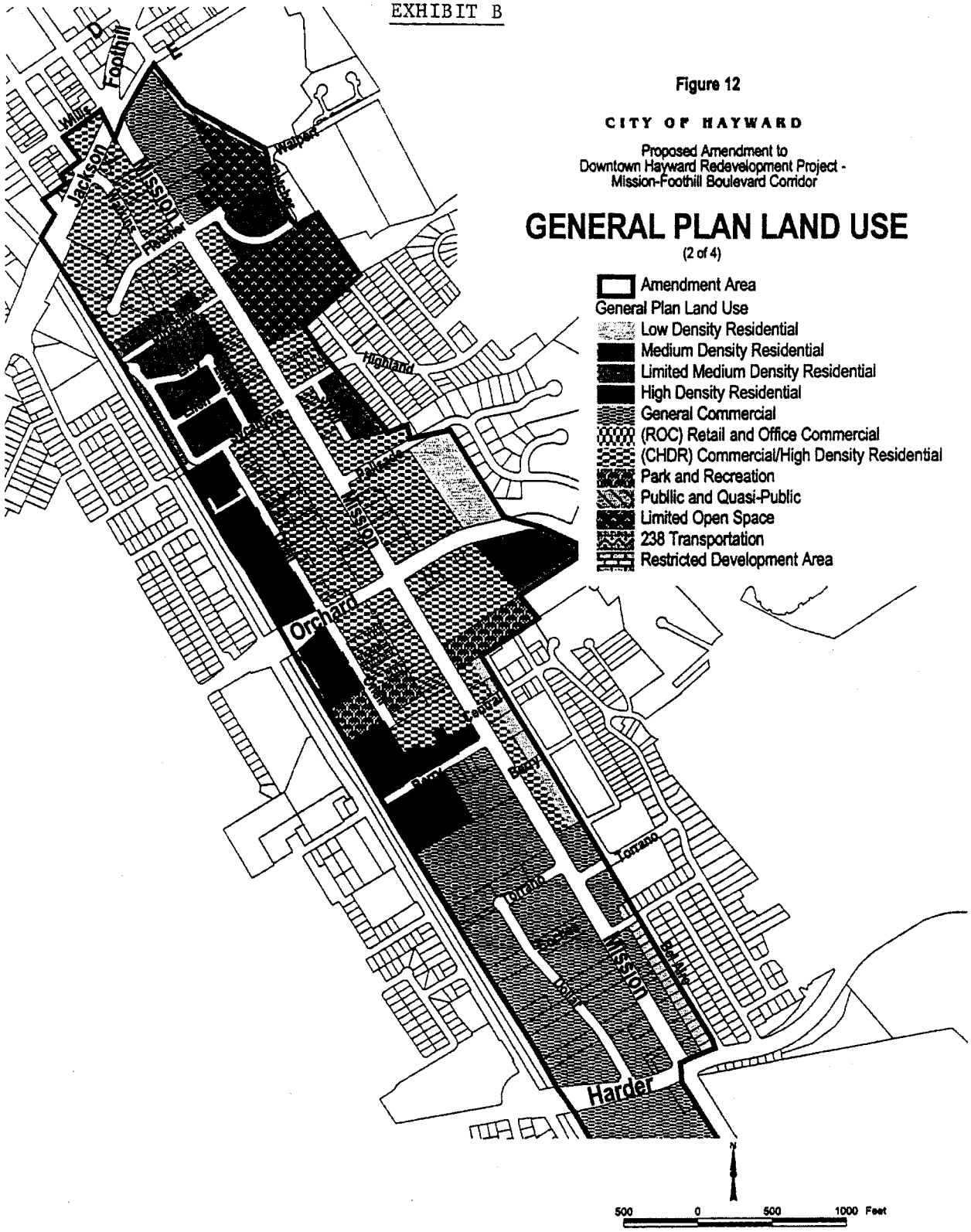

Figure 12

CITY OF HAYWARD

Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor

GENERAL PLAN LAND USE

(2 of 4)

- Amendment Area

General Plan Land Use

- Low Density Residential
- Medium Density Residential
- Limited Medium Density Residential
- High Density Residential
- General Commercial
- (ROC) Retail and Office Commercial
- (CHDR) Commercial/High Density Residential
- Park and Recreation
- Publlic and Quasi-Public
- Limited Open Space
- 238 Transportation
- Restricted Development Area

EXHIBIT B

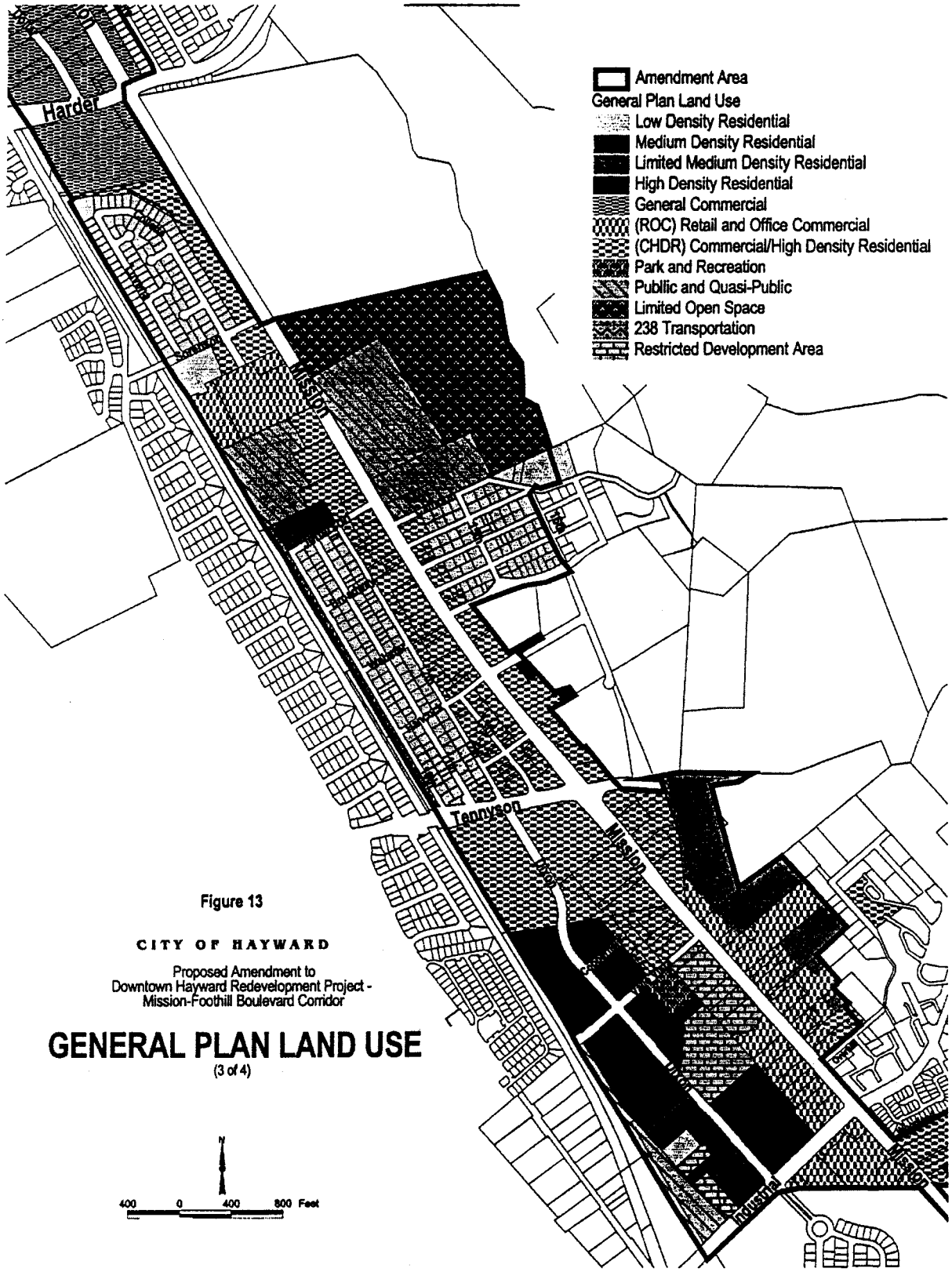

Figure 13

CITY OF HAYWARD

Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor

GENERAL PLAN LAND USE
(3 of 4)

EXHIBIT B

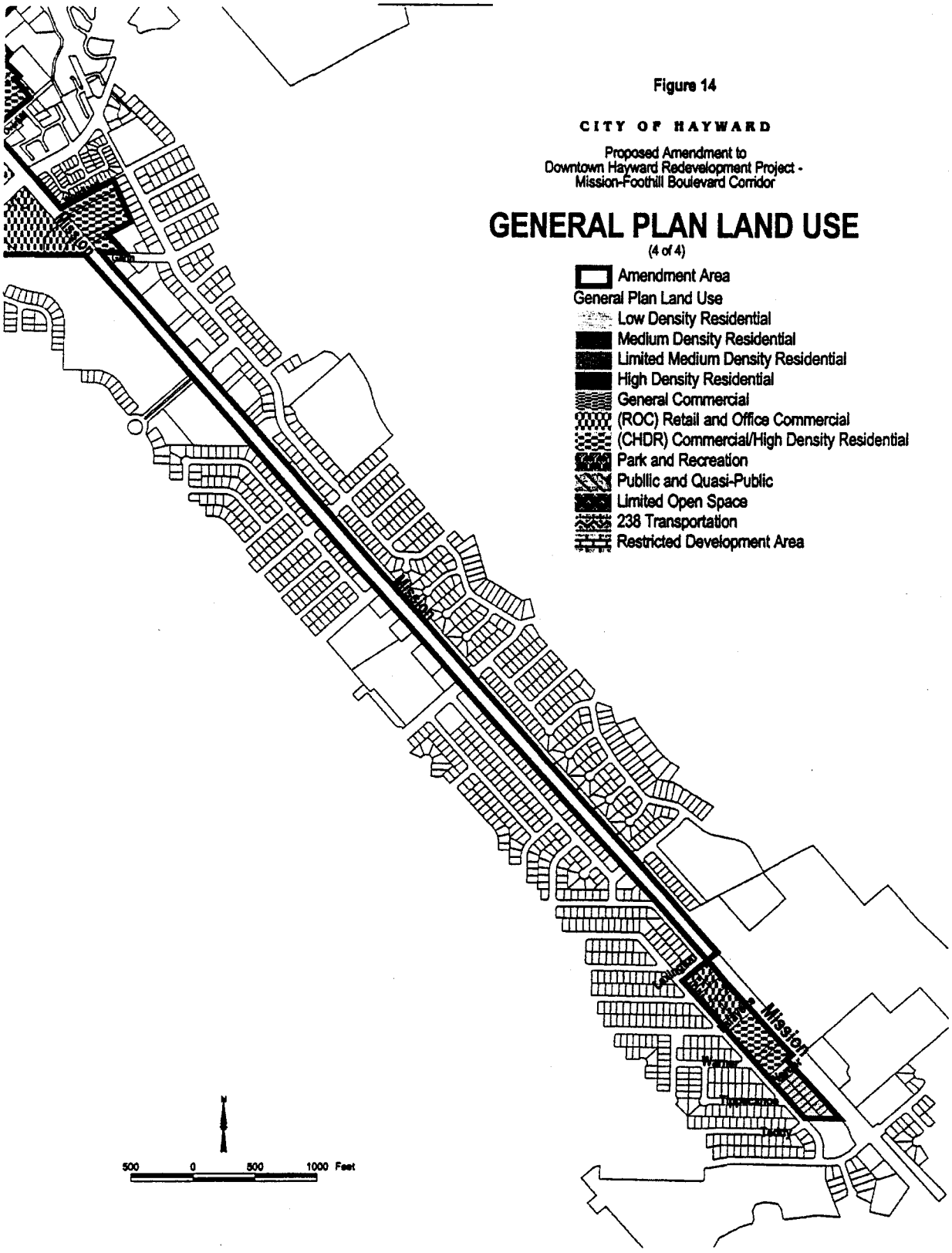

Figure 14

CITY OF HAYWARD

Proposed Amendment to
Downtown Hayward Redevelopment Project -
Mission-Foothill Boulevard Corridor

GENERAL PLAN LAND USE

(4 of 4)

- Amendment Area

General Plan Land Use

- Low Density Residential
- Medium Density Residential
- Limited Medium Density Residential
- High Density Residential
- General Commercial
- (ROC) Retail and Office Commercial
- (CHDR) Commercial/High Density Residential
- Park and Recreation
- Publlic and Quasi-Public
- Limited Open Space
- 238 Transportation
- Restricted Development Area

EXHIBIT "C"

LEGAL DESCRIPTION OF

DOWNTOWN HAYWARD REDEVELOPMENT PLAN
(AMENDMENT)
EXPANSION AREA NO. 3
PARCELS A,B, AND C

(to be subsequently attached)