



MINUTES OF SPECIAL JOINT MEETING OF THE
CITY COUNCIL/REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, January 14, 2003, 8:00 p.m.

MEETING

Mayor/Chair Cooper called the Special Joint Meeting of the City Council/Redevelopment Agency to order at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Rodriquez.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Hilson,
Rodriquez, Ward, Dowling, Henson
MAYOR/CHAIR Cooper
Absent: None

PRESENTATION: Pride in Hayward

The Mayor presented the Pride in Hayward Award to the following Hayward residents living in the Santa Clara Neighborhood: Dennis and Melarie Randle; Evelyn Viden; Alvaro and Guillermina Ramirez; Paul and Alida Salsedo; and Edward and Rita DeCosta. She thanked each for taking pride in their homes and adding to the beauty of the City of Hayward.

PUBLIC COMMENTS

Jason Moreno commented on harassment by members of the Hayward Police Department and then noted that the police complaint form is now on his website.

Al Reynolds commented on cyclone fencing in front yards and because of it, his home does not qualify for the Pride in Hayward award. He also commented on his experience with the individuals representing the Heart of the Bay Church.

Barbara Swarr commented favorably on the use of redevelopment funds for infrastructure. She also commented on the Pride in Hayward awards and suggested more non-tract homes be awarded.

CONSENT

Item 3 was removed for further discussion.

1. Approval of Minutes of the Special Joint City Council/Redevelopment Agency Meeting of January 7, 2003

It was moved by Council/RA Member Henson, seconded by Council/RA Member Jimenez, and unanimously carried to approve the minutes of the Special Joint City Council/Redevelopment Agency Meeting of January 7, 2003.

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2. Consideration of Hayward's Membership in the Bay Area Water Supply and Conservation Agency

Staff report submitted by Deputy Director of Public Works/Utilities Ameri, dated January 14, 2003, was filed.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and unanimously carried to set a public hearing date of February 18, 2003 to consider Hayward's membership in the Bay Area Water Supply and Conservation Agency.

3. Sidewalk Rehabilitation and Wheelchair Ramps: Award of Contract

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated January 14, 2003, was filed.

Mayor Cooper asked whether gutters and curves are included in this project. Public Works Director Butler responded that the process will be to work on one block face at a time and replace the damaged sections of sidewalks as well as completion of any needed repairs on curves and gutters.

Council Member Dowling asked that upon completion of the project and when appropriate, a summary of the total number of trees replaced be provided. He expressed concern that some trees may not be replaced.

It was moved by Mayor Cooper, seconded by Council Member Hilson, and unanimously carried to adopt the following:

Resolution 03-011, "Resolution Awarding Contract to JJR Construction & Development, Inc. for the Construction of Wheelchair Ramps and Sidewalk Repairs for the Fairway Park Area, District 5, Project Nos. 5130 and 5176"

4. Measure B Pavement Rehabilitation 2002-03: Approval of Plans and Specifications and Call for Bids

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated January 14, 2003, was filed.

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

Resolution 03-010, "Resolution Approving Plans and Specifications for the Measure B Pavement Rehabilitation 2002-03 Project, Project Nos. 5166 and 5752, and Call for Bids"



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HEARINGS

5. Use Permit No. PL-2002-0122 and Variance No. PL-2002-0291 – Mark Wagter and Nitsa Zuppas (Applicants/Owners) – Application to Convert Two Warehouses to Four Live/Work Units, Including a Variance – Property Located at 628 B Street

Staff report submitted by Associate Planner Camire, dated January 14, 2003, was filed.

Planning Manager Anderly made the staff presentation and noted that the Planning Commission approved the application and variance. However, she commented that the proposal requires a variance for vehicles to back out onto “B” Street. Technically, there is no parking requirement for this project. She commented that both staff and the Planning Commission agree that this is a very good use for the building and site. She responded to Council questions related to the traffic and parking situation on this project and noted the applicant’s concerns.

Council Member Ward discussed the need to maintain the architectural integrity on the building and the façade on B Street.

Planning Manager Anderly indicated that the garage doors would need to be architecturally enhanced for the Design district. She said staff felt there is an opportunity for further enhancement of the project.

Council Member Henson asked for further clarification on conditions of approval numbers 11 and 13. He also commented on the ‘backing out’ of cars onto B Street, including the safety hazard. He also asked about noise impacts relative to BART and the railroads.

Planning Manager Anderly referred to potential hazards in backing vehicles from that project. The applicant prepared a noise study and the windows are glass blocked to attenuate noise. She noted that the applicant had taken all of the necessary steps in order to mitigate the noise for the project.

Council Member Rodriguez discussed parking in the rear and commented on the balcony. She liked the idea of the loft and did not foresee problems. She said the concept for Hayward is overdue.

Planning Manager Anderly commented that the balcony is for tenants to enjoy.

Council Member Ward has noted backing vehicles and commented on backing vehicles in those areas with angled parking. He added that this is really not an exception to what else is happening in the downtown B Street area.

Planning Manager Anderly said it is preferred for vehicles to enter traffic in a forward direction.

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City Manager Armas commented that many taxicabs and the Greyhound buses are located on that block of the street. He noted that there are also two traffic lanes in front of that project.

Council Member/RA Hilson asked whether there was anywhere else in town that this is done and whether staff is requesting better treatment to the architecture. He said he felt that there was more opportunity to improve the building.

Planning Manager Anderly noted that it is a rare situation to permit backing vehicles.

Council Member Jimenez said this is a great project but cautioned about the safety hazards of the backing of vehicles.

Mayor Cooper asked about the courtyard and whether that could be asphalted to provide sufficient space for vehicles to maneuver to avoid the necessity of cars backing out. She recalled visiting some lofts in Berkeley and the parking area was not used as they were situated in an urban setting.

Mayor Cooper opened the public hearing at 8:45 p.m.

Mark Wagter, applicant, described the live-work space which would be ideal for the area and meet the needs of the intended user. He noted that lofts are an excellent fit with the downtown revitalization and urban core. Artisans such as photographers, painting and design would find these spacious and open. He described combining older architecture styles with some of the new architecture. He defined the requirements of the building and noise codes due to its closeness to the railroad. He commented on the grid look and a dark colored skirt to the building façade to address potential graffiti. He pointed out the awning, required by the City, over one of the doorways. He described the reactions of the Marks Historic Citizens Advisory Committee to this and asked that conditions 11 and 13 be removed from the conditions of approval. He noted other upgrades to the property, such as the decorative asphalt. He noted the length of time working with staff to make a presentable project. He compared the backing out from his project to that of the Atherton town homes and said their project exceeds safety conditions of similarly permitted and successful downtown garages.

Mr. Wagter commented on the bank's requirements for the loan, noting that they do not plan to sell the units for about ten years. He noted that all of the Planning Department requirements for the property had increased their costs to the point that eliminating the garage, which will bring in further income, would require their having to begin again with the project design. He then asked for approval of the project as proposed. He further discussed the safety factors involved with backing out onto B Street by making comparisons to other projects in the City of Hayward.

Council Member Ward asked whether lenders might not fund the project fully if the garages are not built. He then asked about the alternative garage location.

Mr. Wagter explained that the square footage would be reduced with staff's suggestion.



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Council Member Ward asked staff about the backing vehicle and sight distance.

City Manager Armas said the motorists and pedestrians would have to be more careful in this area.

In response to further questioning regarding the financing and lender's qualifications, co-owner/applicant, Nitsa Zuppas, explained that since they purchased the building under market value, they could continue to maintain the status quo and not rebuild at all. She explained that they might have to reevaluate this project versus others, if additional problems occur with their application. They are concerned with their return on investment. She said that all of the businesses on both sides of the project have autos backing out into the street except for Albertson's.

Council Member Henson said he is still not convinced that safety hazards have been addressed. He asked if the applicant has seen other areas besides the Atherton area where a similarity might occur.

Ms. Zuppas reported that currently, the tenants at that building have up to six autos. She noted that they considered and reviewed other previous designs to make the fit.

Barbara Swarr commented favorably on this project and thanked the applicant for their patience and consideration during the application process. She suggested the City remove the property from the Redevelopment Area so it will no longer be under eminent domain.

Mayor Cooper closed the public hearing at 9:25 p.m.

Council Member Ward asked the applicant for further information about parking. He also discussed with staff if the height could accommodate an office space.

Planning Manager Anderly agreed they could use it as a standalone unit or could add to it, if it were all kept at one level.

Council Member Dowling congratulated the developer for trying to improve a major eyesore in this area. He noted that at this economic time, we are not going to get a better project. He **moved**, with Council Member Rodriguez seconding, to approve the use permit and variance and removing Conditions 11 and 13.

Council Member Rodriguez stated that lofts are long overdue. There are many artisans who have moved to the Oakland lofts. She suggested that this would work for artisans who work at all hours.

Council Member Henson asked why the removal of Conditions 11 and 13. Council Member Dowling explained that the Marks Historical Board suggested the conditions were not needed. There was discussion that the Board actually did not comment much on those conditions.

Council Member Henson then offered a substitute motion to retain Conditions 11 and 13. Council Member Dowling said he would accept this as a friendly amendment. City Attorney O'Toole adjured that the substitute motion was on the floor.

Council Member Henson said he would withdraw his substitute motion. City Attorney O'Toole mentioned the need for findings to approve this variance. He said the findings are valid and sufficient because of the size and shape of the lot.

Council Member Dowling said the garage door openers and architectural enhancement for the doors facing B Street would be included as conditions in his motion.

Mayor Cooper noted that the courtyard is an area that can be utilized for parking and would minimize the backing into B Street. As electronic openings were not included in the report, nor discussed, she suggested a garage door remote control is necessary. She added that having street parking in the area was acceptable.

Council Member Ward thanked staff and the applicant for all of their hard work on this project. He also asked the maker of the motion to add a condition for enhancements to the garage doors architecturally.

It was moved by Council Member Dowling, seconded by Council Member Rodriquez, and carried by the following roll call vote to uphold the Planning Commission approval with the Conditions of Approval, and eliminate the need for staff to return with further findings and adopt the following:

Resolution 03-012, "Resolution Approving Use Permit No. PL 2002-0122, Concerning a Request to Convert Two Warehouses to Four Live/Work Units and Denying the Variance Application No. PL-2002-0291 to Allow Vehicles to Back Out onto B Street"

AYES: Council Members Jimenez, Rodriquez, Ward,
Dowling, Henson
NOES: Council Member Hilson
MAYOR Cooper
ABSENT: None
ABSTAINED: None

LEGISLATIVE BUSINESS

6. Adoption of the Annual Report of Redevelopment Agency Activities for Fiscal Year 2001-02



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Staff report submitted by Redevelopment Director Bartlett, dated January 14, 2003, was filed.

Redevelopment Director Bartlett made the report for the Agency. She explained the expenditures and income for the years 2001-02.

Council/RA Member Henson asked about the relocation cost expenditures in the audit.

Redevelopment Director Bartlett explained that it is included in the Capital Outlay on page 16. The low-housing, moderate-housing costs include cash available to the Agency.

City Manager/Executive Director Armas explained that the Governor is proposing taking redevelopment funding that has not been spent to use for the State Budget.

Council/RA Member Hilson asked for a total amount that would go to the State if the Governor's proposal was approved.

City Manager/Executive Director Armas said the Agency and/or City could be affected by between one to one and a half million dollars. He added that the State is trying to fulfill its obligation to the School Districts basically, on the backs of other agencies.

Mayor/Chair Cooper opened the public hearing at 9:51 p.m.

Jason Moreno asked two questions related to loans to the Redevelopment Agency from the City of Hayward.

City Manager/Executive Director Armas responded to his question. He said in each instance that a loan is made a repayment schedule is developed so there would be no cross-subsidy taking place. He noted that the amount is \$46 million.

Barbara Swarr asked how many low and moderate units have been built in the Redevelopment Area. She commented on the repayment of loans and stated that the taxpayers carry this responsibility.

Mayor/Chair Cooper closed the public hearing at 9:56 p.m.

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

Resolution 03-013, "Resolution Adopting the Annual Report of Redevelopment Agency Activities for Fiscal Year 2001-02"

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RA Resolution 03-02, "Resolution Adopting the Annual Report of
Redevelopment Agency Activities for Fiscal Year 2001-02"

7. Water Pollution Control Facility Improvements Phase I, Approval of Negative Declaration
and Authorization for the City to Apply for State Loans

Staff report submitted by Deputy Director of Public
Works/Utilities Ameri, dated January 14, 2003, was filed.

Director of Public Works Butler made the staff report, commenting on the need for physical improvements at the Wastewater Treatment Plant. He said the fluidized bed reactor process, built in the early 1980's was funded through Federal grants. This process has failed to work efficiently for the City. Consequently, a Master Plan has been developed to meet long-term treatment needs for the City. Various projects and processes need to be replaced and redesigned to meet future needs. He noted that the mitigated negative declaration has been circulated and sent to all of the appropriate agencies. He said there were few comments elicited. He discussed the various mitigations and the funding involved. The estimated cost is \$33 million dollars and he then enumerated the funding sources that were explored. He recommended application to State Revolving Funds under a local matching loan grant. He noted the matching funds that the City must provide. Repayment would be made over a 20-year period with the interest rate less than 2 percent. For repayment, the sewer rates will need to be raised. Preliminary estimates indicate a 16 percent increase phased over a number of years.

Council Member Henson asked about the borrowing amounts and the mechanisms and surmised that the total repayment is \$33 million. He asked whether the Russell City Energy Center project had any effect on this project.

Director of Public Works Butler indicated that the Energy Center would have no impact on this project. He indicated that many of the details are still being refined. At this point, he said staff is asking for permission to apply for the \$33 million loan.

Council Member Ward explained to the City Attorney that he abstained in the vote to award the contract to Brown and Caldwell, the consultants, and asked whether this precluded his being involved in the discussion of this project.

City Attorney O'Toole advised that it did not.

Council Member Ward then asked about the funding of the fluidized bed reactor process by the Environmental Protection Agency (EPA). He asked whether the City had investigated whether EPA could assist in paying for the changeover.

Director of Public Works Butler said staff has permission from the EPA to make the change but there was no funding available or any assistance to do so. Based on this information, monies were previously approved and not available to the State's General Fund.



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Council Member Jimenez noted the numerous acronyms in this report and thanked staff for the detailed report.

Council Member Hilson asked about the fluidized bed reactor; required to meet certain standards.

Director of Public Works Butler discussed the process, saying in theory it does work but it is unstable and does not provide a practical solution for the needs of the City of Hayward. He said the processes are not sufficient to meet future needs and the City must replace the fluidized bed reactor and filters. He commented that redundancy is needed since the existing trickling filter has not been in service for over 20 years and it is periodically shut down from time to time for maintenance.

Council Member Hilson then discussed the system selection.

Director of Public Works Butler confirmed that one of the criteria laid on consultants was that it be a proven technology and reliable. He confirmed that this technology has been around for a number of years, found to be reliable and successful.

Council Member Hilson asked about the tertiary treatment and about elimination of the dry by-product.

Director of Public Works Butler explained that this is the most compatible and will facilitate installation of further treatment processes for the Russell City Energy Center. It is a reliable, viable long-term facility through at least 2020. With regard to the dry by-product, it is used as a soil amendment on the tops of closed landfills.

Council Member Rodriquez asked about the length of time it would take to carry out the project.

Director of Public Works Butler noted the estimated time frame that would start with the bid process one year from now and then about eighteen months of construction with an anticipated completion date by 2005.

She then thanked him and commended him for the clarifications and explanations he has been able to provide throughout the years on such technical and detailed information.

There were no requests to speak. Mayor Cooper opened and closed the public hearing at 10:25 p.m.

It was moved by Council Member Jimenez, seconded by Council Member Hilson and Ward, and unanimously carried to adopt the following:

Resolution 03-014, "Resolution Approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and

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Approving the Water Pollution Control Facilities (WPCF) Improvement Project, Project Nos. 7514, 7512, 7513, 7515 and 7651”

Resolution 03-015, “Resolution Authorizing the City Manager to File an Application for a State Revolving Fund Loan to Construct the Water Pollution Control Facility Phase I Improvements Project, Project Nos. 7512, 7514, 7513, 7515, and 7651 and Execute the Loan Agreement”

Resolution 03-016, “Resolution of Agreement to Contribute the State Match Share for the Loan from the State Revolving Fund for the Water Pollution Control Facility Improvements, Phase I Project, Project Nos. 7512, 7514, 7513, 7515, and 7651”

Resolution 03-017, “Resolution Expanding the Purpose of the Annual Sewer Service Charge Revenue to Include the Repayment of the City of Hayward Water Pollution Control Facility Improvements, Phase I Project, Project Nos. 7512, 7514, 7513, 7515, and 7651”

COUNCIL REPORTS

Council/RA Member Dowling wished his mother, Lorraine Dowling, Happy Birthday. She will be 80 years old this Friday.

ADJOURNMENT

Mayor Cooper adjourned the meeting at 10:26 p.m.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency