



**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, June 10, 2003, 8:00 p.m.

MEETING

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

ROLL CALL

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

PRESENTATION: Pride in Hayward Award

The following Glen Eden residents were honored with the "Pride in Hayward Award": Salvatore and Lisa Gulino; Raman and Rukmani Kurup; Cedric and Senita Hurskin; John and Rosalie Wisecup; Carolina Chavez.

Hayward Youth Commission Hayward Community Service Scholarships

The Hayward Community Service Scholarship recognized Hayward high school seniors who have performed outstanding community service. The Hayward Youth Commission (HYC) presented scholarships to the following young people: Jessica Bustos from Hayward High School, Justin Cheng from Moreau Catholic High School and Erica Sosa from Tennyson High School.

PUBLIC COMMENTS

Bruce Lepore submitted a statement related to conditions on his street.

Mary Van Nostrand commented on the trees on her street and asked what could be done to repair raised sidewalks and repair of gutters in front of 57 Gresel Street.

Jason Moreno stated his opinion on segregation in Hayward.

CONSENT

1. Approval of Minutes of the of the Special Joint City Council/Redevelopment Agency Meeting of June 3, 2003

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It was moved by Council Member Dowling, seconded by Council Member Ward, and unanimously carried to approve the Special Joint City Council/Redevelopment Agency Meeting of June 3, 2003.

2. Downtown Business Improvement Area Annual Report, Proposed Budget for Fiscal Year 2003-2004, and Setting Public Hearing for June 24, 2003

Staff report submitted by Redevelopment Director Bartlett, dated June 10, 2003, was filed.

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

Resolution 03-084, "Resolution Accepting Annual Report and Declaring Intention to Levy Annual Charges for the Downtown Hayward Business Improvement Area for the Fiscal Year 2003-04 and Providing for Notice of Hearing Thereon"

3. Pavement Slurry Seal 2003-04, Gas Tax and Measure B Pavement Rehabilitation 2003-04: Award of Contract

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated June 10, 2003, was filed.

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

Resolution 03-085, "Resolution Awarding Contract to American Asphalt Repair & Resurfacing Company, Inc. for the Pavement Slurry Seal 2003-04 Project, Project No. 5137; and Awarding Contract to C. F. Archibald Paving, Inc., for the Gas Tax and Measure B Pavement Rehabilitation 2003-04 Project, Project Nos. 5136, 5138 and 5168"

HEARINGS

4. Maintenance District No. 1 - Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road and Ruus Lane - Approve the Engineer's Report, and Order the Levy of Assessments for FY 2003-04

Staff report submitted by Development Review Engineer Gaber, dated June 10, 2003, was filed.

There were no requests to speak. Mayor Cooper opened and closed the public hearing at 8:19



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p.m.

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

Resolution 03-086, "Resolution Approving the Engineer's Report, Confirming the Assessment Diagram and Assessment, and Ordering Levy and Collection of Assessment for the 2003-04 Fiscal Year, Maintenance District No. 1, Storm Drain Pumping Station and Storm Drain Conduit – Pacheco Way, Stratford Road, and Ruus Lane (MD No. 1)"

5. Consolidated Landscaping and Lighting District No. 96-1, Zones 1 through 10
- Approve the Engineer's Report, and Order the Levy of Assessments for FY 2003-04
 - a. Zones 1 through 9
 - b. Zone 10 (*continue to 6/24/03*)

Staff report submitted by Development Review Engineer Gaber, dated June 10, 2003, was filed.

Mayor Cooper opened and closed the public hearing at 8:20 p.m.

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

Resolution 03-087, "Resolution Approving the Engineer's Report and Ordering Levy and Collection of Assessment for the Fiscal Year 2003-04 for Zones 1-9 of the Consolidated Landscaping and Lighting Assessment District No. 96-1"

It was moved by Council Member Hilson, seconded by Council Member Rodriquez, and unanimously carried to continue the Public Hearing Item 5B related to Zone 10.

6. Maintenance District No.2 - Eden Shores Buffer Zone and Pre-Treatment Pond - Approve the Engineer's Report, and Order the Levy of Assessments for FY 2003-04 (*continue to 6/24/03*)

Staff report submitted by Development Review Engineer Gaber, dated June 10, 2003, was filed.

It was moved by Council Member Dowling, seconded by Council Member Rodriquez, and

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unanimously carried to continue the Public Hearing Item 6 related to Maintenance District No. 2.

LEGISLATIVE BUSINESS

7. Consideration of Inclusionary Housing Ordinance (*continued from 6/3/03*)

Staff report submitted by Neighborhood and Economic Development Manager Bauman, dated June 10, 2003, was filed.

As there were no Council questions or discussion for this continued item, Mayor Cooper opened the public hearing at 8:22 p.m.

Art Kealy spoke for Congregations Organizing for Renewal (COR). He said most religious organizations and labor unions support decent, affordable housing near business locations. He commented that if in lieu fees are not high enough, this Ordinance would be meaningless since developers would simply pay the fee and there would be no or little additional affordable housing built in the City of Hayward.

Elizabeth Pazdral representing Community Resources for Independent Living (CRIL), encouraged the Council to pass an Inclusionary Housing Ordinance and asked that the poor not be segregated into ghettos. She requested that funds be used to subsidize residents with extremely low-incomes and that they also be included into the Ordinance and that some of the units go to people with extremely low incomes and disabilities, and that the City supports integrated housing projects. She then suggested that the City, in the future look to adopting a Universal Design Ordinance to promote the accessibility for all units in the City of Hayward, similar to that in Long Beach. She also suggested that the City pass an Ordinance outlawing any discrimination against Section 8 tenants.

Ralph Morales representing Hayward Coalition for Affordable Housing as well as other organizations, asked the Council to pass this ordinance. He commented that they have seen that cities with lower in-lieu fees do not build units. He noted that the in-lieu fee could be reviewed on an annual basis and brought back for Council re-consideration. He urged support of the staff recommendation.

Rev. Lydia Ferrante-Roseberry, president of COR, said many cities have passed inclusionary ordinances. She thanked everyone for the effort in changing the climate to consider this Ordinance. She encouraged the Council to consider the higher fees so that the housing would be built in the City of Hayward.

Scott Raty representing the Hayward Chamber of Commerce, said there is no argument against Inclusionary Housing. However, he suggested the context be changed toward a less aggressive policy and scale backed ordinance. He compared the figures for home sales in the area and noted that Hayward has already more affordable homes than any other new housing in the area. He suggested that the number of units be increased from 10 to 20, and that the Ordinance not be



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effective until January 1, 2004.

Mayor Cooper closed the public hearing at 8:36 p.m.

Council Member Jimenez moved to reduce the fee to \$75,000, and that the Ordinance not take effect until January, 2004. There was no second to this motion.

Council Member Henson asked Ms. Pazdral for further information on the Universal Design Ordinance. He then explained that he thinks the fees are exorbitant for this marketplace. He noted that the fees should be in the half range. He suggested \$80,000, which would be consistent with Union City. This number would then not put the City of Hayward out of range.

Council Member Dowling asked staff to discuss fees and the effect on the Housing Element certification.

Neighborhood and Economic Development Manager Bauman responded that the Housing and Community Development for the State has not certified any Housing Element without an inclusionary element. She explained that they are very concerned with activities cities engage in to create affordable housing, there is not enough money or enough land adequately zoned to produce the necessary housing.

Council Member Dowling moved the staff recommendation with Mayor Cooper seconding the motion.

Council Member Hilson offered a substitute motion that the in-lieu fees be reduced to \$80,000 per required affordable unit; and that the threshold of projects be increased to 20 units, raised from 10; that the Ordinance become effective January 1, 2004; and that it recognize existing approved agreements. Council Member Henson seconded the motion.

Council Member Hilson spoke to his motion. He stated that no one argues that there is the need for affordable housing. An Inclusionary Housing Ordinance is important for those in need as well as being beneficial for the rest of the community. It is part of the community spirit. It recognizes the good job the City of Hayward has done in the past, which has not been recognized by the State. These changes do not restrict or delay creation of affordable housing. Developers have a choice of going to another city where the fees are lower and sales price is higher. It is extremely important to the City of Hayward that residential construction occur as it is an excellent source of long term interest and jobs as well as being good for the residents.

Council Member Dowling said he would not be supporting the motion as it would make the

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City of Hayward's the weakest ordinance of our neighboring cities. No affordable units have been constructed in those cities. He did not want to see the fees paid, but rather a requirement for the construction of the units. He noted that there is not a lot of large land acreage left within the City for building many projects.

Council Member Henson commented that he had concerns that developers have choices and may not desire to build in Hayward without the affordable cost per unit. He expressed similar concerns regarding the building within the City of Hayward. This is important, but he desired to get something built. This is a compromising motion.

Council Member Ward asked about thresholds of exemption. He offered a friendly amendment that where it can be shown at the beginning of the process based on analysis that the single family detached units would exceed a price of \$500,000, that the subdivisions be exempt from the process and the applicant be allowed to pay the fee.

City Manager Armas explained that the development application would be before the City Council before any determination as to whether a fee is paid or a unit is constructed. The fee is paid at the time the building permit is issued.

Council Member Ward said he would like something in the Ordinance, which allows an exemption to be clear at the beginning of the process. He suggested a threshold of housing costs, which might come back to Council after some investigation. He then asked to modify the motion such that there is a possibility for that exemption coming back to Council.

Council Member Hilson said he would need more information before including that in his motion.

City Manager Armas explained that he understood the request to mean staff was to gather some information to understand implications of exempting projects that have units with a price of \$500,000 or more to be permitted to pay the fee, without constructing the units.

Council Member Hilson said he would accept with caveats perhaps that the threshold be \$650,000. It would have to be structured that money from the fees would actually result in the construction of units somewhere in the City of Hayward.

City Manager Armas said staff would research this and bring it back to Council.

Council Member Dowling said he was under the impression that Council wanted more mixed income and integrated communities in Hayward. He emphasized that it is important to build more mixed income communities.

Council Member Henson stated that for those projects that already have development agreements or for which the project has begun, the Ordinance would not apply.



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City Manager Armas provided an example for clarification. He described a modification of the development agreement and asked whether, in turn, the developer would then be exempt from the Ordinance.

Council Member Henson stated that it was only the original agreement, which would be exempt.

It was moved by Council Member Hilson, seconded by Council Member Henson, and carried by the following roll call vote to adopt the following resolutions and introduce the following ordinance with modifications to reduce to \$80,000 per required affordable unit; increase the ten unit threshold to twenty units; to take effect on January 1, 2004 and that it did not apply to existing approved agreements.

Resolution 03-088, "Resolution Adopting the Negative Declaration and Approving the Inclusionary Housing Ordinance"

Introduce Ordinance 03-__, "Ordinance Adding Article 17 to Chapter 10 of the Hayward Municipal Code Relating to Inclusionary Housing"

Resolution 03-089, "Resolution of the Hayward City Council Establishing the In-Lieu Fee for Affordable Housing Units Pursuant to the Hayward Municipal Code Section 10-17.500"

AYES: Council Members Jimenez, Hilson, Rodriquez, Ward, Henson

NOES: Council Member Dowling
MAYOR Cooper

ABSENT: None

ABSTAINED: None

COUNCIL REPORTS

There were no Council Reports.

ADJOURNMENT

Mayor Cooper adjourned the meeting at 9:03 p.m. in honor of John Stevko, a long-time employee of the City of Hayward. He served as Superintendent of Streets, Sewers and Water Maintenance and served on the Board of Directors for the Bay Cities Credit Union for many years. He touched many lives and will be greatly missed.

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Council Member Jimenez also adjourned the meeting in memory of Richard "Dick" Sadler, a trainer of former Boxing Heavyweight Champion George Foreman.

APPROVED:

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

ATTEST:

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