



**MINUTES OF THE SPECIAL JOINT
CITY COUNCIL/REDEVELOPMENT AGENCY
MEETING OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, June 26, 2007 8:00 p.m.**

MEETING

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

ROLL CALL

Present: COUNCIL/RA MEMBERS Rodriquez, Quirk, Halliday, Ward, Dowling,
Henson
MAYOR/CHAIR Sweeney
Absent: COUNCIL/RA MEMBER None

PUBLIC COMMENTS

Steve Malizia, representing Mohrland Mutual Water, spoke on the recent agreement that was approved by a unanimous vote of the members to accept the terms of the City after over twenty years in providing water service to the residents in that Mt. Eden neighborhood. He appreciated efforts by Honorable Board of Supervisor Gail Steele and City Manager Armas for bringing this to resolution. Council Member Ward commended the past representatives that worked diligently to bring this forth and thanked those present for their support.

Doug Ligibel, a downtown resident, commented on a recent public dumping of wet fiber glass insulation on A Street and Jackson and expressed appreciation for staff response to this hazardous situation. He also noted that large racing tires have been left near the BART station. Mayor Sweeney thanked Police Chief Lowe as well as Public Works Director Bauman and his staff for their assistance in clearing that.

Larry Dias, representing the Teamsters Local 70, informed the Council that he represents garbage workers and the looming strike on Alameda County Waste Management (ACWM). He stated that the current contract negotiations are not progressing as desired. The union made no proposals and sought the extension of the contract for five years, which was refused by ACWM. He noted that the union has offered dates for continued negotiations, but noted that ACWM has hired scabs to initiate a lock-out.

Council Member Quirk expressed his concerns as garbage collection is a matter of health and welfare of this community. He asked that perhaps Mayor Sweeney could send a letter on Council's behalf that there be no lock out and urge ACWM to continue the negotiations.

Rob Dias, Chief Steward for Teamsters Local 70 at ACWM for 24 years, also spoke on collective bargaining issues as well as safety concerns. He also noted that many of the employees reside in Hayward.

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Council Member Henson spoke in support of Mayor Sweeney sending a letter to both parties to emphasize the need for continuing the negotiations. He noted that there are 7 other cities impacted as well.

Henry Oberman, a front loader for ACWM for the past 17 years, spoke on the health and welfare coverage of the ACWM contract that is proposing to reduce the union's level of health coverage.

Dan Henriques stated that he is homeless and was going to speak on another topic, but earlier in the day he was falsely accused of targeting children.

Mayor Sweeney reiterated that he would follow Council consensus to send a letter to both the union and ACWM regarding continuing the negotiations.

Mayor Sweeney honored and presented a Certificate of Commendation to City Manager Armas for his 30 years of service to local government and for 17 of those in Hayward. On behalf of the Council he thanked Mr. Armas for his creativity, his vision, his untiring work ethic, his exceptional service, his stewardship and his "leading by example" leadership.

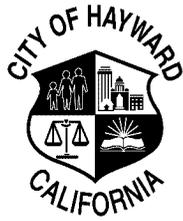
Council Member Ward stated that has worked with City Manager Armas during his years in Hayward and commented on his incredible sense of humor. He stated that Mr. Armas was a doer, worked hard and is a remarkable person. He could not imagine the great change for Hayward in his leaving and noted that he could never be replaced. He thanked him for all of his efforts.

Council Member Halliday commented that as one of the newest members of this Council that her job would have been so much more difficult except for the assistance of City Manager Armas. She appreciated his guidance in doing this job. She trusted his integrity and realized that at the end he was doing the right thing. She commented that her parents were rather impressed with his knowledge. She also commented that it will be the children of Hayward who will benefit greatly from his efforts by way of the new schools, the Matt Jimenez Community Center, and the numerous parks and recreational opportunities. She complimented him in that he and his family will continue to reside in Hayward and most likely return to advocate for his neighborhood.

Council Member Rodriguez recalled how she met him for the first time. She agreed with all that has already been said and noted that it was a pleasure to work with him. She noted that her son, a former assistant attorney also sends his congratulations. She stated that she could not say enough of all of the good things that City Manager Armas had accomplished for this city.

Council Member Dowling stated that he appreciated his advice and deep knowledge of this City. He noted that the fourth floor of City Hall will have a vacuum on his leaving. He commented on the various accomplishments and resolutions that City Manager Armas was a part of including the forthcoming new Mt. Eden neighborhood. Council Member Dowling also complimented City Manager Armas on his sense of humor, noting that he is a terrific ally to have and appreciated him for his years of service.

Council Member Henson commended City Manager Armas for his accomplishments and for working tirelessly to accomplish so much. He thanked him for respecting his ideas and noted how he blended the ideas of seven council members to build this beautiful city hall. The upscale housing as well as the



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affordable housing and the inclusionary housing ordinance were also a part of City Manager Armas' endeavors. He wished him well and encouraged him to enjoy his time off. Lastly, he thanked him.

Council Member Quirk succinctly stated that City Manager Armas' leaving is the end of an era and agreed with all that was said previously by his colleagues.

Mayor Sweeney thanked City Manager Armas for the commitment of his entire family to Hayward, which made him a very special public figure in this community.

City Manager Armas expressed his appreciation to the City Council and the men and women who work for this City. He commended the employees of this organization, who are dedicated to do the best they can. As a resident of the community, his perspective was altered and he realized that there needed to be more consideration of what the public has to say. He thanked this Council, as well as previous Council Members for being receptive to his ideas and thus his creativity. He thanked the Council for this recognition.

CONSENT

Consent Items 6 and 9 were removed for further discussion.

1. Approval of Minutes of the Special Joint City Council/Redevelopment Agency Meeting of June 5, 2007

It was moved by Council/RA Member Henson, seconded by Council/RA Member Ward, and unanimously carried to approve the minutes of the Special Joint City Council/Redevelopment Agency Meeting of June 5, 2007.

2. Approval of Minutes of the Special Joint City Council/Redevelopment Agency Meeting of June 12, 2007

It was moved by Council/RA Member Henson, seconded by Council/RA Member Ward, and unanimously carried to approve the minutes of the Special Joint City Council/Redevelopment Agency Meeting of June 12, 2007.

3. Approval of Minutes of the City Council Meeting of June 19, 2007

It was moved by Council Member Henson, seconded by Council Member Ward, and unanimously carried to approve the minutes of the City Council Meeting of June 19, 2007.

4. Vector and Disease Control Assessment Election Ballot

Staff report submitted by Finance Director Auker, dated June 26, 2007, was filed.

It was moved by Council Member Henson, seconded by Council Member Ward, and unanimously carried to authorize staff to complete various official ballots for the proposed vector and disease control assessment associated with city-owned property and directed to cast a “Yes” vote on each ballot.

5. Final Tract Map 7657 – Mt. Eden Partners, LLC (Applicant/Owner) – Approve the Final Map and Authorize the City Manager to Execute a Subdivision Agreement

Staff report submitted by Development Review Services Engineer Nguyen, dated June 26, 2007, was filed.

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

Resolution 07-091, “Resolution Approving Final Map for Tract 7657, Authorizing the City Manager to Execute a Subdivision Agreement”

6. North Side Helicopter Parking Apron at the Hayward Executive Airport: Award of Contract

Staff report submitted by Deputy Director of Public Works Fakhrai, dated June 26, 2007, was filed.

Council Member Dowling asked how this project would impact the neighborhood. Public Works Director Bauman reported that this was advertised as a helipad project, but was re-scoped as a helicopter parking area. He emphasized that this is not a landing pad, but a parking area with a wash rack.

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

Resolution 07-094, “Resolution Approving Addendum No. 1 and Awarding the Contract to Pavex Construction for the North Side Helicopter Parking Apron Project, Project No. 6892”

7. Resolution Approving Replacement of Police Laptops

Staff report submitted by Deputy City Manager/Technology Services Director Priest, dated June 26, 2007, was filed.

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

Resolution 07-092, “Resolution Amending Resolution 06-080, As Amended, the Budget Resolution for Fiscal Year 2006-07, Relating to an Appropriation of Funds for Replacement of Obsolete Police Department Laptop Computers”



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Mayor Sweeney reported that a revision was made to the draft resolution and would be adopted as part of the Consent Calendar.

8. Resolution Approving an Agreement with Mohrland Mutual Water Association

Staff report submitted by Deputy Director of Public Works Ameri, dated June 26, 2007, was filed.

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

Resolution 07-093, "Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Mohrland Mutual Water Association"

9. Authorization for City Manager to Execute a Professional Services Agreement for Route 238 Bypass Land Use Study and Appropriation of Funds

Staff report submitted by Senior Planner Buizer, dated June 26, 2007, was filed.

Matt Martell spoke about the current residents who rent the right-of-way properties from Caltrans. He suggested that they be given an opportunity to purchase them.

Council Member Ward asked staff to respond as well as explain how this consultant will work with the community.

City Manager Armas stated that there are many properties that have been under Caltrans ownership for over 40 years for a freeway, expressway or a bypass. Caltrans owns about 300 acres with a number of homes occupied by residents who have resided there for many years. This study before the Council is to review the land use designations. It is not intended to deal with the disposition of the property. Mr. Martell's point is well known. In the near future, Caltrans will determine a process that may include the opportunity for the current renters to acquire those homes. Some of the homes are not suitable for continued use.

In regards to the scope of work by the consultant, City Manager Armas responded that critical to this effort is to make sure that there are key intervals to engage the public in the progress of this project. There will be community meetings at various geographically based locations. There will also be scheduled joint meetings with the Planning Commission and the City Council to get feedback from these policy making bodies. Formal hearings will also be scheduled and information and material will be posted on the City's website with the ability to accept the comments online. He also noted that the Legal Aid Society has opportunity to represent lower income renters residing on these properties.

Council Member Dowling asked if this was the same firm that held the South Hayward BART Plan. It was affirmed and he commended that the reports were fine, but he would prefer more improved reports from this firm than what was received during that process.

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

Resolution 07-095, “Resolution Authorizing City Manager to Execute an Agreement with Community Design + Architecture”

Resolution 07-096, “Resolution Amending Resolution 06-080, As Amended, the Budget Resolution for Fiscal Year 2006-07, Relating to an Appropriation of Funds for the Route 238 Bypass Properties”

At the end of the Consent portion of this Agenda, Council Member Halliday spoke in regards to Consent Item #8 regarding this very special community and appreciated the Mohrland Mutual Water Association and the effort of the members, as well as the staff, to complete this agreement. She hoped that all were satisfied with the final outcome.

HEARINGS

10. Citation Homes Central (Applicant/Owner) – Request to Amend the General Plan Land Use Designation from Mixed Industrial to Medium-Density Residential, to Change the Zone District from Industrial (I) District to Planned Development District, and to Abandon Public Streets and Subdivide Land within the Subject 5.68 Acre Site in Order to Develop 80 Homes – Property Located at Intersection of Orchard Avenue and Traynor Street, Westerly of Soto Road

Staff report submitted by Principal Planner Patenaude, dated June 26, 2007, was filed.

Planning Manager Rizk made the staff report depicting the site and the area proposed to be amended. He described the three architectural styles and responded to questions related to the noise mitigation of an eight-foot wall that will extend to the Jackson Street entryway. He made the recommendations as described in the staff report with one minor revision in the conditions of approval in response to fire department regulations.

Planning Manager Rizk also responded to Council questions related to the closing of John Muir Elementary in the subsequent academic year, the number of students this development may generate and the refrigerated trucking company that is no longer in business as well as the level of service for traffic. He confirmed that appropriate plant material will be planted along the wall to avoid graffiti.

In response to Council Member Ward’s recommendation to consider comprehensive evaluations on the closing of the school and the number of students that will live in this development, City Manager Armas stated that schools are generally the primary open space available in a neighborhood. In addition, it will be suggested to the school district that consideration be made when the eventual closure occurs. He indicated that at the close of John Muir School, students will be attending Harder Elementary. In respect to school closures, it will be necessary for the school district to provide crossing guards for those students crossing major intersections such as Jackson Street.



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There was further discussion on the wall, its distance from the street, which was from 20 to 24 feet to mitigate impacts, both visual and noise. There was also a comment that the porches seemed small in the elevations. Council Member Dowling recommended that there be a continuous enclosure of the railroad tracks between this and the current development. Council Member Rodriguez indicated that she met with the representative of the development and recommended that the alley ways be well lit. There was also discussion on including language from the condominium conversion ordinance to encourage very high ownership.

Mayor Sweeney emphasized the need for adequate lighting in the development. He would recommend improvements on both the front and rear elevations. Council Member Halliday expressed her concern that any hazardous conditions were addressed and was assured that proper testing and mitigations were conducted by the various agencies.

Mayor Sweeney opened the public hearing at 9:21 p.m.

Mr. Charles McKeag, Vice President for Land Acquisition and Development for Citation Homes, commended City Manger Armas on his retirement and appreciated his service and efforts towards development and towards the business community. In addition, he expressed his appreciation toward City Manager Armas for his efforts towards the Cannery project as well as the forthcoming senior housing project at C Street and Grand Street.

In regards to the development, he responded to Council issues. He discussed the distance from sound wall on Jackson Street to the front of the units, which was between 20 to 24 feet that separates the wall from the front of the home. The interior garden walkway is roughly equivalent to the width of the garden paseos. He also responded to Council Member Halliday's concern about the cleanup of the property which was previously a lumber yard. Underground storage tanks were removed prior to the ownership of this property.

In regards to the fence along the railroad track, Charles McKeag stated that it his intent to fence in the entire railroad right of way with a wood fence and landscape the area, but he will work with staff to resolve this. He addressed lighting concerns that will be in compliance with the City's security ordinance. He has worked with staff to improve the basic floor plan as well as enhancing the exterior. The average price range of the 1,900 square foot home may start at \$650,000. Each unit has a separate front, a secure tot lot as there are no streets to access this park.

At the conclusion of his response to Council questions, a visual animation was presented. In response to Council Member Quirk, who commented that he met with Mr. McKeag to discuss the project related to green buildings scales and standards, he stated that this development meets the LEED standards. He described the recycling efforts of the concrete from the current site. He also described the durability of the materials that will be used in the exterior and on the roof. Lastly, he spoke that universal design is relatively new and not on this project, but the house plan does contain substantial living space on the first floor.

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Council Member Henson indicated that he also spoke previously with Mr. McKeag. He asked further on the LEED standard, the use of vegetation that requires watering. He urged that the conditions of approval include that the areas must be maintained “green,” which could be difficult in time of water shortages. City Manager Armas responded that the City does have regulations that review development landscape plans and urges appropriate bay friendly landscaping and drip irrigation, which are also included in the conditions of approval for this development.

Council Member Dowling asked whether there was discussion related to park in lieu fees. He suggested that staff communicate with HARD in relation to the greenway at Harder Road. He suggested that it does need some improvement and the play structure does need replacement.

Anthony Marques, a business owner at 777 Traynor Street, stated that this would be a tremendous asset to the neighborhood. He appreciated that he was contacted and was able to review the plans. He urged approval of the project.

Mayor Sweeney closed the public hearing at 9:52 p.m.

Council Member Ward expressed his confidence on this developer. He expressed appreciation that the adjoining property owner is here and is satisfied with the project. He moved the staff recommendation, seconded by Council Member Henson, and asked that the applicant work with staff to respond to some of the issues raised by Mayor Sweeney.

Council Member Henson heartily agreed with Council Member Ward that the applicant showed his attention to detail and it will be a massive improvement in this area that eliminates several eyesores.

Mayor Sweeney asked that there be language to address the entryway wall or fence concern. Staff reported that the conditions of approval include a decorative fence as part of the proposal. Mayor Sweeney asked that it include closing the gap between the developments.

Mr. McKeag promised to work with staff in the landscape design and installation of amenities to complete an attractive and secure entryway. He assured Council that this is one of the marketing points of the development and will be a primary concern.

Mayor Sweeney urged that the motion include the language as previously discussed relative to assuring high rates of ownership. Council Member Ward, the maker of the motion and Council Member Henson, the second, agreed to include language from the condominium ordinance that achieves the City’s goal of 75% ownership.

City Manager Armas recommended Council consider at a future opportunity to include this language as standard for all applicants.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried to adopt the following with direction to staff to work with the applicant regarding the decorative fence at the entryway of the project, and include language from the condominium conversion ordinance to address the City’s 75% goal of home ownership in the conditions of approval:



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Resolution 07-097, “Resolution Adopting Mitigated Negative Declaration and Mitigation Monitoring Program and Approving General Plan Amendment Application No. PL-2007-0113, Zone Change Application PL-2007-0114, and Tentative Tract Map Application No. PL-2007-0112 TTM 7893”

Intro Ordinance 07-_, “An Ordinance Amending the Zoning District Map of Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory Located Generally at the Intersection of Orchard Avenue and Traynor Street Westerly of Soto Road Pursuant to Zone Change Application No. PL-2007-0114”

11. Request to Amend General Plan Land Use Designation from Low-Density Residential to High-Density Residential, and Change Zoning from Single-Family Residential to Planned Development – Chris Zaballos for Zaballos Enterprises (Applicant/Owner) – Property Located Rear of 1744 and 1748 D Street

Staff report submitted by Associate Planner Pearson, dated June 19, 2007, was filed.

Planning Manager Rizk made the staff report.

Mayor Sweeney read an email from neighbors, Monica and Richard Tapia, who reside directly across the project and were opposed to the project.

Mayor Sweeney opened the public hearing at 10:03 p.m.

Chris Zaballos, representing Zaballos Enterprises, asked that the Council approve this addition to the project that includes four new apartments and described the three bedroom amenities. He responded to Council questions, noting that rents have increased in the past two years. He reported that the rental market is strong; the vacancy rate is about 1% and stressed the importance of long-term residents. He estimated that the rents begin at \$1,550, reporting that 3 bedrooms currently rent at \$1,600, but that these apartments include amenities.

In response to Council Member Halliday’s query, Planning Manager Rizk reported that the density designation is consistent with the remainder of the project rather than placing a lower density for these units. Mr. Zaballos agreed that there are no intentions to go beyond these four units.

Council Member Henson expressed his appreciation for the three bedroom size and the developer’s intent to add this type of unit. He also asked about the recycling efforts in this complex and urged that recycling be made easier to the residents as multifamily complexes do not rate highly in recycling efforts. Mr. Chris Zaballos reported that there is a 20 yard bin located closer to D Street, not the most ideal location.

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Mayor Sweeney closed the public hearing at 10:14 p.m.

Council Member Quirk affirmed that there is a need for rental housing as well. He felt that the rentals are well priced.

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

Resolution 07-098, “Resolution Amending Mitigated Negative Declaration and Mitigation Monitoring Program and Approving General Plan Amendment PL 2006-0395, Zone Change Application PL 2006-0393 and Preliminary and Precise Development Plan”

Intro Ordinance 07-_, “An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory in Connection with Zone Change Application No. PL 2006-0393 Relating to Property Located to the Rear of 1744 and 1748 D Street”

LEGISLATIVE BUSINESS

12. Authorization of Issuance of Multi-Family Housing Revenue Bonds (The Majestic Apartments) 2007 Series A and Taxable 2007 Series A - T, and Execution of Related Documents

Staff report submitted by Redevelopment Director Bartlett, dated June 19, 2007, was filed.

Redevelopment Director Bartlett presented the recommendation to issue multi-family housing revenue bonds on behalf of Majestic Apartments located at 959 Torrano Avenue. There was a TEFRA hearing in March that authorized the issuance of tax-exempt multifamily mortgage revenue bonds. The project was awarded an allocation of \$7.3 million in tax exempt bonds as well as \$1.1 million in taxable bonds to address debt financing. The taxable bonds will be paid off first. She listed the financial firms that will be involved and the bonds will be purchased by Citibank. She reported that the property was inspected with well-maintained common areas and work will begin this summer. She described it as a pleasant complex, but enumerated specific repairs that will be done, noting that nearly half of the units need new appliances. The expenditure plan will have oversight by a CPA firm. The buyers have signed a letter to insure that certain items that need to be addressed will be completed per the rental inspections by the City. There were also visual inspections of those units with “tuck under” parking areas. She reported that the current seismic code does require additional structure reinforcement if the building were built today, but the building appears structurally sound and was initially built to code. The buyer has agreed to make the recommended fix to brace the area for “tuck under” parking and other carport improvements.

In response to Council Member Henson’s question about the number of current tenants, stating that there are 80 restricted units. She spoke about the current tenants, who are not eligible due to income above the level allowed. These tenants will be allowed to remain as tenants for up to six months with a moving expense. The units will remain affordable for 55 years.



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Redevelopment Director Bartlett responded to Council Member Henson's query regarding the seismic structure of the building. She reported that to do a more complete seismic study would require additional time and beyond their budget. Council Member Henson would prefer bringing the building with a soft second story up to code. Council Member Halliday also joined in this effort to request the owner to strengthen the building seismically, but would not want to delay the renovation project at this time.

Council Member Quirk appreciated the relocation efforts offered the current tenants. He asked whether the property owners were non-profit.

Mr. Alexis Gevorgian, representing AMG & Associates, responded to Council questions, stating that the general manager would be a non-profit general partner with private investors with a limited partnership.

Council Member Quirk agreed with Mayor Sweeney, Council Members Henson and Halliday regarding the seismic safety issue. He spoke on the "life safe" standard. He would hesitate to proceed if the building is not. He wondered whether the building would be usable after an earthquake. He would be reluctant to go forward if this is not the case and would prefer an engineering report to address this.

City Manager Armas stated that there is no current city standard that addresses soft story buildings and thus this project would not be before the Council except that the financing requires it. He recalled a similar discussion during the review of the condominium conversion ordinance. He recommended a more thorough discussion at a future date.

Council Member Quirk reiterated that the staff recommendation could be approved with a further seismic study to determine whether the redevelopment agency could assist in this area via loans.

Council Member Ward expressed his concern with the relocation of tenants who earn more income than the level for eligibility. It was noted that in the past when improvements were completed in the Lord Tennyson Apartment Complex tenants had to relocate because their earnings were above the income level as determined by the State.

Council Member Dowling stated that he did bring the seismic issue when the March TEFRA hearing was held. He asked how far the Hayward Fault was and it was noted that half this property is on edge of the earthquake zone.

Mayor Sweeney stated that he was reluctant to go forward if this building is not safe. He discussed the rent difference, which seemed insignificant. He asked

City Manager Armas emphasized that the main difference is the preservation of these units in an affordable condition for 55 years. Redevelopment Director Bartlett stated that the building was built in 1963.

Mayor Sweeney opened the public hearing at 10:42 p.m.

Mr. Alexis Gevorgian commented on the soft story issue, stating that the buyers are investing approximately \$4.5 million dollars of private investments into equity to this project. He indicated that there is only ten percent of this project that has the soft story issue. This is only one of the buildings. The firm hired a third party that inspected the building and concluded that it was structurally safe with no deficiencies. The buyers are willing to go forward with some upgrades that remain within their budget during the rehabilitation. He described the process to test the building. Mr. Gevorgian stated that tenants that are over qualified will be able to remain six months in the complex with relocation fees. He noted that there are tenants who have resided in the complex for over five years.

Council Member Henson appreciated the investment of the private investors. He felt that this seemed to make sense at this time, but was still concerned with the soft story issue since there may have been some compromise on the building during past earthquakes.

Mr. Gevorgian noted that substantial safety work will be done to upgrade balconies, replace wrought iron window guards and improve walls. He noted that the buyers could work with staff to address the soft story issue in the next two months.

Council Member Quirk commented on the seismic concern and recommended some additional inspection and evaluation of the building to determine its safety. He also asked how much of the funding will be set aside for the renovations and was informed that it is approximately \$2 million dollars.

Mayor Sweeney closed the public hearing at 10:55 p.m.

Council Member Halliday, seconded by Council Member Dowling, moved to adopt the resolution as recommended with the addition that staff work with the owner of the property to further address the seismic issues that have been raised and initiate a plan to address these issues to the satisfaction of city engineers in a manner as provided by the owner and if additional funds are needed to determine how to obtain them. Council Member Halliday noted that in authorizing this there will be some remediation of some existing conditions that could also cause safety problems. She felt that the seismic issues could be addressed. Overall the benefits will be to the City and future residents who cannot afford to purchase homes.

Council Member Quirk agreed with addressing the seismic issues, but asked staff if this needed further clarification.

City Manager Armas responded that perhaps the direction to staff could be analogous to the condominium conversion ordinance related to health and safety of the residents. He cautioned the use of Redevelopment Agency funds and urged staff study to insure the proper use.



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Council Member Dowling spoke on soft story improvements and upgrades and felt that this is a good opportunity to review this issue.

Council Member Rodriguez agreed with the motion.

Council Member Halliday reiterated her intent on her motion, which was to work with the owners to come up with a plan that adequately addresses the issue.

City Manager Armas stated that he believed that the intent was to have staff return with the information related to the seismic issue. Staff is not in a position to provide a level of analysis at this time. The owners indicated that they could begin in the next few months. He cautioned not approving this due to time constraints for the funding and continuing this could deter the funding allocation.

Mayor Sweeney stated that with all due respect to the applicant, he was not interested in proceeding without the outstanding issues being addressed. He would also be opposing the motion because he actually wasn't too enthused about the project initially as the rent differentials would be minor and it would be forcing out residents who make about \$40,000 annually, which isn't high income. He could not see utilizing public funds towards this effort. He felt the better path would be to hold this action until the seismic study on the soft story structure is complete.

City Manager Armas asked that the Council weigh the diminishing effects of rent control against this project which provides for rent control for the next fifty-five years.

Council Member Henson confirmed the motion that this go forward and in the future receive a new report on the safety of this structure. Council Member Halliday clarified her motion which was obviously to authorize the issuance of bonds so that the buyers meet the deadline. She hoped that staff could return with a report to resolve seismic issues on this structure.

Council Member Quirk felt that this is a better opportunity than not proceeding as there is a potential for resolving it.

Council Member Dowling confirmed with Redevelopment Director Bartlett that half of the units will receive new appliances, repairs will be done on retaining wall, balconies will be repaired, and backyard fencing adjoining private homes will need to be replaced as well as patios. He felt that this is a good opportunity to improve the City's rental stock without using City funds. He would prefer proceeding with this action to see future improvements.

Council Member Henson agreed with Council Member Halliday last point. It underscores the need for a larger discussion on soft story structures aside from the condominium. He asked the buyers to reiterate that they agree to add the bracing to the structure. This was affirmed by Mr. Gevorgian.

It was moved by Council Member Halliday, seconded by Council Member Dowling, and carried, with Mayor Sweeney voting no, to adopt the following resolution as recommended with the addition that staff work with the owner of the property to further address the seismic issues that have been raised:

Resolution 07-099, “Resolution of the City of Hayward Authorizing the Issuance, Sale and Delivery of City of Hayward Multifamily Housing Revenue Bonds (The Majestic) 2007 Series A and Taxable 2007 Series A-T, Authorizing the Execution and Delivery of a Master Pledge and Assignment, a Master Agency Agreement and a Regulatory Agreement, and Authorizing the Execution and Delivery of and Approving Other Related Documents and Approving Other Related Actions in Connection Therewith”

COUNCIL REPORTS

There were no requests to speak.

ADJOURNMENT

Mayor Sweeney adjourned the meeting at 11:17 p.m.

APPROVED:

Michael Sweeney, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

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