



# CITY OF HAYWARD AGENDA REPORT

AGENDA DATE March 17, 1998

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM WS # 3

**TO:** Redevelopment Agency Board Members

**FROM:** Director of Community and Economic Development

**SUBJECT:** Status Report on the Proposed Downtown Hayward Redevelopment Plan Amendment

## **Recommendation:**

That the Redevelopment Agency Board review and comment on the status of the proposed Redevelopment Plan Amendment.

## **Background:**

On December 9, 1997 the City Council approved a Survey Area for the proposed Downtown Hayward Redevelopment Plan Amendment. On December 16, 1997 the Redevelopment Agency approved contracting with Seifel Associates to assist staff with the preparation of documents, including the environmental impact report, and analysis of various issues related to consideration of this redevelopment plan amendment.

The proposed Redevelopment Plan Amendment is a major undertaking that will take approximately nine months to complete. Two of the primary issues to be considered and analyzed during this process are the documentation of blighting factors that are necessary to qualify the survey area for redevelopment status, and an assessment of the financial feasibility of adding the proposed new Redevelopment Area.

## **Discussion:**

Pursuant to the Agency Board's direction, Seifel Associates has prepared a Feasibility Report in order to provide a preliminary assessment of the required "blight" factors in the various subareas of the Survey Area, and to determine whether or not the Agency should consider proceeding with the redevelopment plan amendment. The Feasibility Report is attached for your review.

## **Contents of the Feasibility Report:**

The Feasibility Report examines a number of issues concerning the scope of the proposed plan amendment. These include:

- Adding additional area to the Redevelopment Plan.

- Amending time limits and financial limits of the Redevelopment Plan.
- Initial documentation of blighting conditions that continue to exist in the current redevelopment project area.
- Initial documentation of blighting conditions within the proposed additional area.

Figure I-2 is a map of the existing and proposed amended redevelopment project area.

**Summary of Feasibility Report Finding:**

The Feasibility Report divides the proposed amendment area into five subareas (see Figure III-2) and provides a preliminary assessment of urbanization and blighting conditions for each subarea (see Table III-1). The Executive Summary of the Report further describes the characteristics of each area. The assessed valuation summary for each area is provided on Table A-2.

With the exception of Subarea Two, the proposed amendment area exhibits clear evidence of physical and economic blight characteristics. Subarea Two is the commercial and industrial area north of A Street between Hathaway Avenue and the Union Pacific Railroad tracks. This subarea is approximately 48 acres and is comprised of ten properties containing three major businesses. These businesses are the Anchor Glass facility, Shurguard Storage, and the Costco Business Center. Prior to the occupation of the Price Club by the Costco Business Center, the building had been vacant for the past five years. This and other changes have caused assessed valuation between FY 1993/94 and FY 1997/98 to fluctuate dramatically. If only one of these businesses fails or relocates then such a closure could have a significant impact on the surrounding area. Therefore, while Subarea Two shows less evidence of physical and economic blight as compared to the other subareas, there is sufficient evidence to retain this subarea in the Survey Area pending more extensive blight investigation.

**Scope of Recommended Plan Amendment:**

The proposed redevelopment plan amendment establishes time limits for debt issuance, plan effectiveness, receipt of tax increment revenue and the use of eminent domain for the proposed added area. The proposed plan amendment would also change the following redevelopment plan time limits for the existing area:

	Current	Proposed
Receipt of Tax Increment	2020	2025
Issuance of Debt	2004	2014
Eminent Domain	1998	2010

The amendments to the existing time limits are proposed in order to allow the Agency to continue its work in the existing project area. A more detailed summary of these recommended redevelopment plan limits is contained in Table A-1.

The proposed time limit extensions for the existing area would trigger new tax increment "pass through" payments to other taxing agencies beginning in Fiscal Year 2004/2005. If the time limits for the existing area plan remain the same, then the Agency would not have these pass through payment obligations. The Feasibility Report compared the tax increment projections for these two options and concluded that extending the time limits for the existing redevelopment area would generate an additional \$12.5 million in future revenue for housing and non housing projects.

#### **Next Steps in the Plan Amendment Process**

If the Feasibility Study is accepted and approved by the Agency Board, staff will proceed to issue the Notice of Preparation (NOP) for the Environmental Impact Report (EIR). In mid April staff will request the Planning Commission to consider selection of the Project Area boundaries, approve the Preliminary Plan and forward the Preliminary Plan to the Redevelopment Agency Board. Staff will also request that the Redevelopment Agency Board consider acceptance of the Preliminary Plan, direct staff to prepare the Redevelopment Plan, and authorize transmittal of information to taxing agencies and officials.

#### **Project Area Committee (PAC) and Public Review**

The Redevelopment Plan Amendment process also includes the formation of a Project Area Committee, or PAC. The PAC is comprised of residential owner occupants, residential tenants, businesses, and community organizations located within the existing and proposed project areas. Elected representatives of each group serve on the PAC. All residents, businesses and community groups within the amended area will be sent a written notice publicizing the opportunity to serve on the PAC, and the Agency will conduct a public meeting to explain the purpose of the PAC. After the PAC is formed, it will meet several times to consider the proposed Redevelopment Plan Amendment and will submit a report concerning its findings to the City Council. The PAC is expected to be formed in mid May and submit its report to the City Council in September. The public hearing to consider adoption of the proposed plan amendment is expected to occur in October.

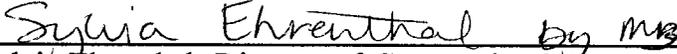
Redevelopment Agency Board  
Meeting of March 17, 1998

In addition to the public hearing and the PAC meetings, which are open to the public, staff will hold general community meetings to insure that all interested parties have an opportunity to review and comment on the proposed redevelopment plan amendment. Staff proposes to schedule these meetings beginning in June, as the draft EIR and plan amendment documents become available.

**Prepared by:**

  
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Maret Bartlett, Redevelopment Director

**Recommended by:**

  
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Sylvia Ehrenthal, Director of Community & Economic Development

**Approved by:**

  
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Jesús Armas, Executive Director

Attachment: Feasibility Report on the Proposed Amendment for the Downtown Hayward  
Redevelopment Plan

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