



WS#2

DATE: March 25, 2008
TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: South Hayward Multi-Service Community Center

RECOMMENDATION

That Council reads and comments on this report.

SUMMARY

The City of Hayward owns the former elementary school facility, built in the 1950's, that is located at 680 West Tennyson Road in South Hayward. The City has leased this facility to the Eden Youth and Family Center (EYFC) nonprofit organization since 1979. This aging facility has needed, and continues to need, much repair.

The City, through its Community Development Block Grant (CDBG) Program, has contributed in excess of \$700,000 in Neighborhood Facility Improvement grants over the last 10-plus years. The Hayward Citizens Advisory Commission (CAC), which advises the City Council on the allocation of CDBG funds, has expressed concern about continuing the practice of allocating CDBG funds on a piecemeal basis for EYFC facility repairs. In response, City staff initiated a preliminary study to identify alternatives for the development of this site with the goal of only improving the facility, but that will also contribute to the revitalization of the Tennyson Corridor and the South Hayward Neighborhood.

BACKGROUND

The Eden Youth and Family Center (EYFC), a non-profit organization whose mission is to improve the life of Hayward children and families, particularly those living in the South Hayward Neighborhood, was founded in 1977. In 1979 EYFC moved into the former elementary school facility that it now operates from, located at 680 West Tennyson Road in South Hayward. The City bought the school site, built in the 1950's, from the Hayward Unified School District when the elementary school closed. The site includes approximately 2.5 acres of land with several buildings that total approximately 25,000 square feet of office and program space.

A lease agreement was established between the City and EYFC wherein the nonprofit organization was provided a below-market lease rate with the stipulation that it be solely responsible for the ongoing maintenance and repair of the facility. In 1994 the lease agreement, with these same terms, was renewed. EYFC's lease rate has remained at approximately \$11,300 per year since that time.

Over the years this aging facility has needed, and continues to need, much repair. To help pay for this, EYFC sub-leases program and office space to other nonprofit service providers, generally at below market rates. This income, however, has not been adequate to fully cover the cost of required facility maintenance and rehabilitation. Consequently, EYFC has had to make requests for in-kind contributions (including materials and labor) as well as grants to help cover these expenses. The City, through its Community Development Block Grant (CDBG) Program, has contributed in excess of \$700,000 in Neighborhood Facility Improvement grants over the last 10-plus years.

The Hayward Citizens Advisory Commission, which advises the City Council on the allocation of CDBG funds, has expressed concern about the City's practice of allocating CDBG funds on a piecemeal basis to repair this aging facility. The Commission recently recommended that a more comprehensive, long-term plan be developed that not only provides for an improved facility, but also creates an opportunity to economically and socially revitalize the Tennyson Corridor and the South Hayward Neighborhood. In response, City staff initiated a preliminary study to identify alternatives for the development of this site.

The City also owns the adjoining Matt Jimenez Community Center (MJCC). Under contract with the City, the Hayward Area Park and Recreation District (HARD) currently provides youth recreation services out of this facility. Adjacent to both facilities is Tennyson Park – open space owned and operated by HARD. Combined, the area presents an exciting opportunity to develop a multi-service community center where EYFC now stands that would be part of a campus of integrated community services which build upon and enhance the programs and services now provided in this area. A map of the proposed project area is provided as Attachment A.

Staff felt it was important to include key community stakeholders in the project planning process, and so convened what later became known as the South Hayward Multi-Service Community Center Work Group (SHMCC Work Group). Attachment B provides a listing of the SHMCC Work Group participants. The services of Lisa Wise Consulting, Inc. were also obtained to provide support to the Staff and SHMCC Work Group.

In order to develop a sense of the type of services that a new multi-service community center might house, information about the service needs of the community was sought. To this end the SHMCC Work Group was asked to:

1. Provide input to staff regarding the process and methods that should be used to assess the service needs of South Hayward residents;
2. Help identify key other stakeholders (i.e., community leaders, individual residents, service provider representatives, etc.) to be included in the community assessment process;
3. Participate in a community assessment process where appropriate; and
4. Based on the community assessment findings, assist with development of a recommendation regarding the future development of the project area site.

To assist the SHMCC Work Group with its objective, the following information about the project area was collected and reviewed over a seven month period:

- A site and regulatory analysis.
- Demographic information.
- Employment information.
- Information on other City development projects.
- General market information for the area's commercial, retail, and residential uses.
- An overview of the services currently provided in the Eden Youth and Family Center; and
- Sample case studies of development projects from other communities that include a variety of uses including commercial, health and human services, etc.

The SHMCC Work Group also considered how the City might conduct the project development planning process, and recommended a series of planning stages that it thought should be followed. Capital funding sources that might be available to fund this type of project were also suggested.

An eighty-six page report entitled, South Hayward Multi-service Community Center – Eden Youth & Family Center Background Study and Analysis, includes a compilation of the information described above. A complete copy of this report is available upon request from the City's Community and Economic Development Department. An Executive Summary of the report is provided as Attachment C.

After all of the information about the project area and surrounding community was considered, the SHMCC Work Group considered the following facility renovation options:

1. *Maintain Status Quo*: This option would keep the site and buildings in their existing configuration, and continue the existing service structure. Repairs would be made to the facility to the extent that Eden Youth and Family Center could raise the funds to cover the facility maintenance costs, on an as needed basis.
2. *Complete Facility Renovation*: This option would generally keep the existing site and the buildings in their current configuration. However, an extensive renovation effort would be undertaken over a projected time horizon to upgrade the facility and grounds. A multi-year budget plan would be developed to support this effort. The service structure would remain as it currently exists.
3. *Partial Replacement and Renovation of Existing Structures*: This option would involve, over time, the demolition of some of the existing buildings that would be replaced with new facilities, and the remaining existing structures would be renovated. Again, a multi-year budget plan would be developed to support this effort, and the service structure would remain as it currently exists.

4. *Complete Replacement of Existing EYFC Structure – Option A: Tenants = Nonprofit Services Only:* This option would involve the *phased demolition of all the existing buildings (in order to mitigate the impact on programs and services)*, and the new facility would continue to house only nonprofit services, as is the current practice.
5. *Complete Replacement of Existing EYFC Structure – Option B: Tenants = Complementary Mixed Uses:* This option would involve the *phased demolition of all the existing buildings (in order to mitigate the impact on programs and services)*; however, the new facility would house nonprofit services and private for profit services, retail, and/or housing as well.
6. *Some combination of the above, or additional, ideas.*

DISCUSSION

Long-term Recommendations:

After considering the available background information and development options, the SHMCC Work Group ultimately recommended that a combination of Options 1, 3 and 5 above be considered, as follows:

The SHMCC Work Group recommended that the *long-term* goal be to build a complete new facility at the EYFC site (as described in Option 5 above). It was further recommended that the development of the adjacent (City owned) Matt Jimenez Community Center and (HARD owned) Tennyson Park be included in this long-term plan, so that the whole area can be developed as a comprehensive well coordinated campus of community services. While the Matt Jimenez Community Center (MJCC) is currently a one-story building, its foundation was built to support additional stories. Consequently, further development of that facility can be considered. Additionally, HARD representatives serving on the SHMCC suggested that a portion of Tennyson Park (which is adjacent to both the EYFC and MJCC properties) could be incorporated in a long-term plan for this area.

The SHMCC Work Group also suggested that consideration be given to preserving those portions of the existing EYFC facility where it makes sense to do so. For instance, the wing that is currently occupied by the St. Rose Pediatric Health and Dental Clinic was renovated relatively recently to accommodate the plumbing, electrical, and other facility needs of that operation. Additionally, relatively recent upgrades were made to another wing of the facility that housed a Head Start childcare program; this wing is now occupied by the South Hayward Collaborative's Family Resource Center. The SHMCC Work Group also recommended that construction work be executed in planned phases so as to minimize the impact on current program operations.

The Work Group also recommended that the planned facility house services that build upon the current Eden Youth and Family Center service structure. This could include current service providers; however, these providers naturally change over time due to other unrelated circumstances. Additionally, the Work Group recommends that

consideration be given to incorporating retail and/or other professional for-profit service providers in the mix of potential new tenants. It was thought that this may provide a potential source of revenue (via market rate rents) that could help offset facility maintenance costs. It was strongly recommended, however, that only tenants that offer programs/services which are complementary to one another be included in the tenant mix.

One model of a community development project that was of particular interest to staff and the SHMCC Work Group is the Market Creek Plaza project located in San Diego, California. Attachment D provides an overview of this project and the community-building methods used to carry out the project. More information can be obtained from the project's website at: <http://www.marketcreek.com/>.

Short and Medium Term Recommendations:

Given the economic challenges facing the City, the City cannot financially support a community development project of the magnitude described above. In the meantime, the SHMCC Work Group recommends that steps be taken to ensure that the current EYFC facility is safe and made to be as comfortable as possible for its current service provider tenants and those they serve. To this end, the SHMCC Work Group recommends that, in the *short-term*, an analysis of the current EYFC facility be conducted so that the maintenance and repair work needed can be identified and prioritized. This analysis should include estimated timeframes, costs and potential sources of funding to carry out a defined scope of work.

Additionally, if the Council supports the long-range recommendations noted above, the Work Group recommends that, as a *mid-term* activity, the City should form a Project Steering Committee to work with staff to oversee the project planning and implementation process. There was not consensus, however, with regard to who should make-up of the Project Steering Committee.

Some members of the Work Group felt strongly that the Project Steering Committee should be made-up primarily of representatives of the organizations that have a *direct interest* in the facility. This includes the City, Eden Youth and Family Center, and the Hayward Area Recreation District. It was also suggested that other key local organizations (including the Hayward Unified School District, St. Rose Hospital, and various Alameda County agencies) be included. Work Group representatives also recommended that the Project Steering Group should obtain and seriously consider input from current EYFC tenants and other key community stakeholders, but that these latter groups should not have a decision-making role as Project Steering Committee members.

Others on the SHMCC Work Group strongly disagreed with the last sentiment. These Work Group members strongly recommend that current EYFC tenants, other South Hayward community services provider representatives, clients served by these organizations, and local South Hayward residents and business representatives who have an interest in the development of the South Hayward community should also serve on the Project Steering Committee.

Optimizing Success:

Finally, the SHMCC Work Group recommends that, to optimize the success of the project, the relationship between the City and the Eden Youth and Family Center should be clarified, both in terms of each organization's role and responsibilities with regard to the project planning and implementation process *and* in terms of the subsequent management of the new facility and its tenants. Even if the development of this site is postponed, it is recommended that the two organizations work to clarify their respective roles and responsibilities, and determine if the original terms of the lease agreement continue to be mutually acceptable.

FISCAL IMPACT

Short-Term: The Eden Youth and Family Center representatives have identified a contractor that is willing to conduct a professional assessment of the existing EYFC facility and develop a comprehensive renovation master plan for an amount not to exceed \$10,000. The agency submitted an application to the City's Community Development Block Grant program in the amount of \$10,000 to pay for this assessment. The Property Rehabilitation Specialists that work in the City's Property Rehabilitation Program can assist with this effort, which could bring down the cost and/or supplement the work of the EYFC contractor.

Mid-Term: The services of a consultant may be needed to supplement and support the work of a Project Steering Committee (if one is formed as recommended), as well as to directly oversee the project development process as described in Chapter 5 of Attachment C. Should this aspect of the project go forward, a bidding process will take place which will help determine the cost of hiring a consultant for this purpose. Community Development Block Grant funds may be used to support this activity. Staff time will also be needed for project management and general administrative support.

Long-Term: It is premature to determine development costs at this time since there are still many factors to consider and decisions that still need to be made before a complete development project can be proposed. If the City decides to continue looking at long-term development options for the project area, the cost associated with a final plan would be determined during the pre-development (Mid-term) phase of the project; funding alternatives will also be included as part of the development plan.

PUBLIC CONTACT

As described above, a South Hayward Multi-service Community Center (SHMCC) Work Group was formed, consisting of key community stakeholders (Attachment B). Regular updates of the Work Group's progress, and the final recommendations of the Work Group, were presented to both the Hayward Human Services and Citizens Advisory Commissions at their respective regularly scheduled public meetings for review and comment. Comments and recommendations from members of these two advisory bodies were incorporated into this report.

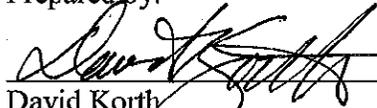
NEXT STEPS

Funding of the EYFC Facility Analysis and Renovation Master Plan:

The Hayward Citizens Advisory Commission (CAC) and staff have recommended, in the context of the CDBG funding process, that the Eden Youth and Family Center's \$10,000 application for a Neighborhood Facilities Improvement Grant be supported. If approved by the City Council, this will pay for the aforementioned EYFC Facility Analysis and Renovation Plan. The City Council is scheduled to consider the CDBG funding recommendations of both the staff and the CAC for all the FY08-09 CDGB applicants at its Work Session scheduled for Tuesday, April 22, 2008. The CDBG funding Public Hearing is scheduled to take place on Tuesday, May 6, 2008.

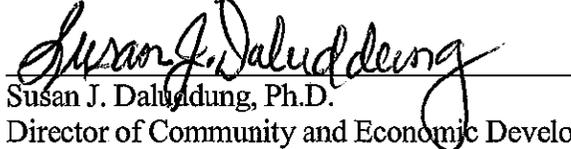
Based on City Council Members' discussion of the other issues and ideas presented in this report, City staff will determine the extent to which the remainder of the project will be pursued, and return to Council with a proposed project timeline and budget.

Prepared by:



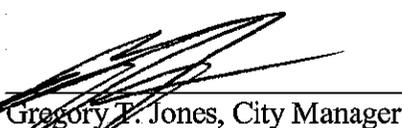
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Recommended by:



Susan J. Daludung, Ph.D.
Director of Community and Economic Development

Approved by:



Gregory T. Jones, City Manager

Attachments: Attachment A – Aerial View of Project Area
Attachment B – South Hayward Multi-service Community Center Work Group Roster
Attachment C – South Hayward Mutli-service Community Center – Eden Youth and Family Center Background Study and Analysis
Attachment D – Market Creek Plaza Community Development Project

**THE REFERENCED EXHIBIT(S) IS/ARE
ATTACHED AS A SEPARATE LINK**