



DATE: May 15, 2018
TO: Mayor and City Council
FROM: Interim Development Services Director
SUBJECT La Vista Park – Project Status & Funding Direction

RECOMMENDATION

That the City Council accepts the final design of La Vista Park and adopts a resolution appropriating \$1.5 million for use of community center funds for the construction of La Vista Park.

SUMMARY

The landscape architecture firm of Surface Design, Inc. will present several minor revisions to the La Vista Park design and staff will be requesting Council consider temporary use of the La Vista community center money to build La Vista Park. Repayment of the loaned community center funds will come from future park in-lieu fees. HARD will also be seeking reimbursement for a portion of their allocation of additional F1 bond money from future park in-lieu fees. The City of Hayward will be repaid via future park in-lieu fees first before HARD receives their reimbursement.

It should be noted that the HARD Board of Directors approved the final La Vista Park design at their April 9, 2018 meeting. The HARD Board also approved and authorized additional F1 bond money to fund La Vista Park construction to be paid back to HARD through the collection of future park in-lieu fees.

Also, since the original size of the park is proposed to increase in size from 30 to more than 50 acres, the expanded park area will be evaluated for potential environmental impacts via a new Initial Study pursuant to the California Environmental Quality Act (CEQA). City staff will expeditiously work to ensure this evaluation is promptly completed before any park construction begins.

BACKGROUND

In 2005, the City of Hayward approved the La Vista residential development that included 179 new single-family homes to be built at the South Hayward site east of (and up the hill from) the terminus of Tennyson Road and Mission Boulevard. The project also included construction of a new approximately 30-acre public park. The development would not only provide new housing stock for the City of Hayward but also “officially” served as remediation

for a former rock quarry site. The entitled development sat idle through the most recent economic downturn and, over the last couple years, home construction has finally commenced.

It should be noted that the original 30-acre park site on land donated from the developer is proposed to be expanded to almost 50-acres in size given that the City of Hayward has acquired former Caltrans right-of-way from the now abandoned 238 freeway project. Additional park acreage will be added to the western side of the park. The additional acreage will be available for park use following the sale of the remainder of Parcel Group 3, which is the subject of a current Request for Development Proposals. No grading or other development activities will be permitted on the former Caltrans property until Caltrans releases its Power of Termination on the Parcel, which will occur once the property purchase price is paid. However, in the interim, development may commence on the original 30 acres. Given the increased park size and park facility deficiency in South Hayward, this new park is viewed as a “destination” park for use, not only from new residents of the La Vista development and existing surrounding neighborhoods, but for South Hayward and the entire City.

In June 2017, the HARD Board adopted a Three-Year Capital Improvement Program that allocated \$2 million of Measure F1 Bond funds for Phase I of La Vista Park, which was based on the previous conceptual park design. At the Board’s regular meeting on April 9, 2018, the Board considered the new and expanded Park Master Plan prepared by SDI, which proposes constructing the park in one phase. At that meeting, the Board directed staff to update the Capital Improvement Program to increase HARD’s initial \$2.0 million allocation of Measure F1 funds to this project as follows:

\$2.0 million Current Bond Funds Allocated in June 2017

\$13.4 million Additional Allocation of Bond Funds (of which 50% would be reimbursed to HARD from future park in-lieu fees collected by the City since this community park will be used by residents in new developments paying those fees)

Final action by the HARD Board to allocate the additional bond funds to the La Vista Park project will be included in the CIP update during the Board’s budget hearing on June 11, 2018. Sufficient funds are available from the first phase of bond proceeds to make the allocation to the La Vista Project as directed by the Board.

DISCUSSION

Project condition of approval number four for the La Vista development requires the applicant to pay for the cost of improvements associated with the Park in accordance with fees in effect as of July 1, 2005, which was estimated to be \$2.14 million dollars. These park in-lieu fees are collected at the time of Certificate of Occupancy for each new individual single-family home. City staff estimates that about one third of the 179 homes have either been built or are under construction, thus there is approximately one third of the \$2.14

million dollars currently available for park construction. Homebuilder DR Horton has indicated that they would advance the remainder of the \$2.14 million dollars to the La Vista Park effort given that the City of Hayward and HARD both are committed financially to the park and to an aggressive and reasonable schedule to construct La Vista Park sooner rather than later.

On October 30, 2017, Council and the HARD Board of Directors held a joint work session regarding the latest design for La Vista Park and provided comments and feedback regarding the proposed park design. Surface Design has further refined the park design based on those comments. It is also important to note that comments received from the public via previous community outreach have also been incorporated into the latest La Vista Park plans.

Listed below are the five (5) park design changes:

- Add a half basketball court next to the full court.
- Add 9-hole Disc Golf course at the southwestern end of the property between the slide area and Tennyson Rd.
- Remove the Dog Park but install doggy bag stations along the paths.
- Relocate both restrooms: Restroom A to the west along the same path; and Restroom B closer to the children's playground. Restrooms will be individual prefabricated self-cleaning units by Exeloo from New Zealand: 2 units for Restroom A and 4 stalls for Restroom B are requested.
- Relocate Maintenance Shed Structure to be near Restroom A

ECONOMIC IMPACT

The addition of a destination park to the South Hayward community will create a much-needed amenity and attraction for this part of the City. This will likely result in increased visitors to the area as well as more dollars spent at local businesses. In addition, there have been numerous studies that indicate that the addition of open space or parkland has a positive impact on home values in the surrounding areas.

FISCAL IMPACT

Previously, David Gates and Associates were asked by the City of Hayward to create a conceptual plan for La Vista Park; a traditional park design was developed and proposed. This conceptual design included an "art and tech walk," "science and tech garden," "riparian creek," and amphitheater ("Great Green"). The majority of the Gate's designed park was contained on the original 30 acre La Vista Park site. The park design included a significant amount of hardscape, an abundance of new trees, and other proposed heavily irrigated grass/sod areas (sports field and yoga garden). Very preliminary estimates to build the park

as previously designed were projected in the range of \$35 to \$40 million dollars. It's important to note that this estimate was based on very rough conceptual designs, not formal estimates, of City or HARD staff. Because these estimates were not considered reasonable, a more sustainable and affordable design was developed by Surface Design Inc.

The final La Vista Park design by Surface Design Inc. is estimated to cost \$23.3 million to construct. This estimate includes contingencies or potential cost overruns as well as landslide repair costs to remediate the former Caltrans property.

Permitting fees from the La Vista Development will contribute approximately \$2.14 million towards construction once collected. There is also a \$2 million Measure F1 Bond allocation from HARD, for a current allocation of \$4.14 million toward the La Vista Park project.

It should be noted that all lands associated with La Vista Park are owned or controlled by the City of Hayward. This was memorialized as part of the La Vista Development Final Map for the home development and all agreements associated with the project Final Map.

Current Budget - La Vista Park

Project Cost Estimate	\$23,253,962
Current Project Funding Sources	
Fees from La Vista Development	\$2,140,000
HARD initial bond fund allocation	\$2,000,000
Subtotal- Funding Sources	\$4,140,000
Current Funding Gap	\$(19,113,962)

The HARD Board of Directors recently approved a funding plan for the project that included the following: 1) \$4.23 million would be provided from existing park in-lieu fees previously collected by the City; 2) \$6.7 million in additional Measure F1 bond money; and 3) \$6.7 million of loaned Measure F1 bond money that would be repaid to HARD through the collections of future park in-lieu fees (see below).

Listed below are recent larger entitled projects that may yield substantial park in-lieu fees.

PROJECT	# UNITS	TYPE OF UNITS	POTENTIAL PARK IN-LIEU FEES	POSSIBLE CONSTRUCTION START DATE
Mission Crossings	140	townhomes	\$1,595,300	Spring 2019
Matsya's Villas	57	condos	\$649,515	Winter 2019
Maple and Main	240	apartment	\$2,316,720	Summer 2019
Lincoln Landing*	476	apartment	\$4,594,828*	Winter 2018
Mission Village	72	townhomes	\$820,440	Spring 2019
Fagundes	42	single family	\$502,026	Spring 2018
Ward Creek Cottages	97	single family	\$1,159,441	Fall2018
Total Potential In Lieu Fees			\$11,638,270	

The above table is a projection by City staff of future park in-lieu fees that might be generated by these entitled projects. An approximate total of \$11,638,270 could be collected from these projects upon their completion. The Lincoln Landing project shown above may not only pay in-lieu fees but also offer some land dedication and may ask for a credit for improvements of the dedicated land area as part of their obligation for public park and recreation. Any accepted land dedication would reduce the potential park in-lieu fees listed above. No final definitive calculation has been done for these projects as of final preparation of this staff report. Please note that the projects referenced above are large entitled projects in Hayward and that there are other projects that could be entitled in the near future yielding additional future park in-lieu fees. Looking at just three unentitled projects submitted to the City of Hayward in late 2017 and early 2018 [Ersted Townhomes (59 units), Oak Street Townhomes (40 units), Gading II Single-Family Homes (18 units)] could yield \$1,343,259 in additional park in-lieu fees that could be counted towards the La Vista destination park if the projects are approved/entitled.

Lastly, the "possible construction start date" of the project mentioned above is City staff's best guess on when projects might begin construction and therefore when park fees might be collected.

Council is being asked to temporarily appropriate/approve the use of \$1.5 million in funds held for development of the South Hayward community center towards the park effort. These fees will be paid back via future park in-lieu fees. Condition number six (6) of the La Vista Development conditions of approval required that "prior to issuance of the first building permits" for the project that "the applicant shall contribute \$1.5 million toward the construction of a new community center to be located within Parcel B as shown on the vesting tentative tract map, or in the general vicinity. Such contribution shall be in addition to other obligations." The City is in receipt of the \$1.5 million community center contribution.

Current Funding Plan for La Vista Park

Project Cost Estimate	\$23,253,962
Current Project Funding Sources	
Fees from La Vista Development	\$2,140,000
HARD initial bond fund allocation	\$2,000,000
Subtotal-Funding Sources	\$4,140,000
Funding Gap as of March 2018	\$(19,113,962)
Additional HARD Contributions:	
Park In Lieu Fees on hand	\$4,230,000
Additional HARD bond allocation	\$6,700,000
Loaned HARD bond allocation	\$6,700,000
Community Center contribution	\$1,500,000
Current Funding Gap	\$16,038

This request has no impact on the General Fund now or in the future. Should future park in-lieu fees not be as robust as anticipated to pay for La Vista Park, staff envisions construction of the park to occur in phases or a modified/scaled down version of the park would be proposed based upon available park in-lieu fees. There are no other funding sources for La Vista Park except for those already mentioned in this report (developer fees, park in-lieu fees, and Measure F1 bond money).

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play. This item supports the following goal and objective:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

This agenda item also supports the Tennyson Corridor Strategic Initiative. The purpose of the Tennyson Corridor Strategic Initiative is to develop an attractive, cohesive, thriving Tennyson Corridor through thoughtful engagement of residents, businesses and community partnerships. This item supports the following goal and objectives:

Goal 4: Foster a cohesive sense of place.

Objective 2: Increase City sponsored events and projects I the Tennyson Community.

Objective 4: Explore innovative placemaking opportunities.

Hayward 2040 General Plan: This project also contributes to fulfillment of Land Use and Community Character Goal LU-3 of the *Hayward 2040 General Plan*, specifically that La Vista Park will help contribute to creating a "complete neighborhood" in South Hayward. The addition of La Vista Park is a long sought-after amenity in South Hayward, which will complement existing schools, daycare centers, religious institutions and existing neighborhood serving commercial businesses. Listed below is the specific General Plan policy related to complete neighborhoods:

- LU-3.1 Complete Neighborhoods: *The City shall promote efforts to make neighborhoods more complete by encouraging the development of a mix of contemporary uses and amenities that meet the daily need of residents. Such uses and amenities may include parks, community centers, religious institutions, daycare centers, libraries, schools, community gardens, and neighborhood commercial and mixed-use developments.*

SUSTAINABILITY FEATURES

As currently designed, La Vista Park will be the most sustainable park within the City of Hayward and probably within HARD's jurisdictional boundaries to date. Less irrigated park area is proposed as part of this new park design and more native grasses and plants are proposed throughout the park. Park structures are proposed to be made from natural materials versus traditional expensive fabricated structures currently the norm in Hayward parks. Surface Design Inc. will be to able showcase this important component of La Vista Park during their presentation to Council.

PUBLIC CONTACT

Listed below are previous public meetings or public outreach efforts performed by the City of Hayward, HARD, and Surface Design Inc. related to the final draft La Vista Park plan:

- On Friday October 20, 2017, City staff and the team from Surface Design Inc. met with representatives from Fairway Park to present and gain feedback regarding the current La Vista Park plans.
- On Thursday October 26, 2017, a public outreach meeting was conducted at Matt Jimenez Community Center soliciting input from the Hayward community at large regarding the most current La Vista Park design. City staff, HARD staff and the Surface Design Inc. team conducted a public presentation and received input from participants regarding draft Park plans.

- On Monday October 30, 2017, the Hayward City Council hosted a joint work session with the HARD Board of Directors where City staff, HARD staff, and the Surface Design Inc. team presented the latest design for La Vista Park.
- On Monday April 9, 2018, the HARD Board of Directors approved the final design for La Vista Park and the funding plan for the project.

NEXT STEPS

Upon approval of the temporary use of the La Vista \$1.5 million community center money to construct La Vista Park, City staff will work with HARD staff to begin the process of preparing grading and construction documents for the park. The current plan is to complete all site grading during the summer of 2018 with other park construction phases to follow.

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Recommended by: Stacey Bristow, Interim Director of Development Services

Approved by:



Kelly McAdoo, City Manager