

CITY OF NEWARK CITY COUNCIL

37101 Newark Boulevard, Newark, CA 94560-3796 • 510-578-4266 • E-mail: city.clerk@newark.org

City Administration Building
7:30 p.m.
City Council Chambers

AGENDA

Thursday, October 10, 2019

A. ROLL CALL

B. MINUTES

- B.1 Approval of Minutes of the City Council meetings of September 26, 2019.
(MOTION)**

C. PRESENTATIONS AND PROCLAMATIONS

- C.1 Introduction of employee.**

Background/Discussion – Community Development Director Steven M. Turner will be at the City Council meeting to be introduced to the City Council.

D. WRITTEN COMMUNICATIONS

E. PUBLIC HEARINGS

F. CITY MANAGER REPORTS

(It is recommended that Items F.1 through F.2 be acted on simultaneously unless separate discussion and/or action is requested by a Council Member or a member of the audience.)

CONSENT

- F.1 Authorizing the City Manager to execute a Side Letter between the City of Newark and the Newark Association of Miscellaneous Employees (NAME) to provide the off-salary-schedule pay to Part-Time, Seasonal, and Temporary (PST) employees converted to regular full-time employees in the same classification – from Acting Human Resources Director Que-Garcia.
(RESOLUTION)**

Background/Discussion – The Newark Association of Miscellaneous Employees (NAME) July 1, 2019 - June 30, 2022 Memorandum of Understanding (MOU) provides members of NAME with a one-time, \$1,000 off-salary-schedule pay. Section IV. Salary Increase of the MOU states:

“All active NAME employees employed as of July 1, 2019, shall be eligible to receive an off-salary-schedule lump sum payment. The payment shall be \$1,000 for full-time NAME employees and pro-rated for part-time NAME employees and shall be provided by no later than September 1, 2019.

The off-salary-schedule lump sum payment of \$1,000 is not reportable to CalPERS, consistent with CalPERS “Off-Salary-Schedule Pay” Circular Letter dated November 10, 2016.”

Two, Part-Time, Seasonal, and Temporary (PST) employees hired prior to July 1, 2019, were converted to Regular-Full-Time employees after July 1, 2019, and are working in the same classification. These employees were performing the exact same tasks as if they were Regular-Full-Time employees and were converted to Regular-Full-Time employees before the City issued the \$1,000 off-salary-schedule payment pursuant to Section IV. Salary Increase of the MOU. Staff recommends authorizing the City Manager to execute a side letter that confirms and clarifies that PST employees converted to Regular-Full-Time employees and working in the same classification prior to the City’s distribution of the \$1,000 off-salary-schedule payment are eligible for the \$1,000 payment.

Attachments – Side Letter, Resolution

Action – Staff recommends that the City Council, by resolution, approve and authorize the City Manager to execute the Side Letter Agreement between the City of Newark and the Newark Association of Miscellaneous Employees to provide the off-salary-schedule pay to Part-Time, Seasonal, and Temporary (PST) employees who converted to regular full-time employees in the same classification prior to distribution of the off salary schedule payment.

F.2 Authorizing the City Manager to execute individual contract change orders with Webcor Builders for the Design-Build contract for the New Civic Center, Project 1188, and amending the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020 – from Chief Building Official/City Architect Collier. (RESOLUTION)

Background/Discussion – On July 25, 2019, the City Council authorized financing for the New Civic Center Project, Project 1188, based on a final estimated total project cost of \$88,705,207. The City also previously entered into an agreement with Webcor Builders for Design-Build Services related to the Newark Civic Center for an amount not to exceed \$72,031,027. At the time the agreement was signed there was no specific provision made for the approval of larger contract change orders at a staff level. It is typical of projects of

this size and complexity to have changes that arise during construction that would require immediate action. The final estimated total project cost for the New Civic Center project included a construction contingency of \$3,616,051.

Staff is requesting authorization for the City Manager to execute individual contract change orders of up to \$200,000 with an aggregate approval authority for contract change orders up to the previously authorized and estimated total construction contingency of \$3,616,051. This authority will improve project management efficiency by establishing reasonable expenditure limits and eliminating the need for ongoing City Council actions during the construction period. It will also allow staff to keep up with changes that occur during critical points in the construction schedule thereby avoiding potential delays. Any and all contract change orders would be reviewed and negotiated by the City Project Manager in consultation with Vanir Construction Management for accuracy and necessity prior to being presented to the City Manager or City Council (for individual change orders over \$200,000) for formal approval. All contract change orders will be logged and retained with detailed supporting information.

In addition to approval authority for contract change orders, a formal amendment to the total project budget is now required. As noted, the City Council previously approved a financing plan for the project based on an estimated total project cost of \$88,705,027. The 2018-2020 Biennial Budget and Capital Improvement Plan can now be formally amended to establish this amount as the total project budget. This will require a budget increase of \$14,003,686 above the previously approved budget total of \$74,701,521.

Attachments – Resolution

Action – Staff recommends that the City Council, by resolution, authorize the City Manager to execute individual contract change orders with Webcor Builders for the Design-Build contract for the New Civic Center, Project 1188, and amend the 2018-2020 Biennial Budget and Capital Improvement Plan for fiscal year 2019-2020.

NONCONSENT

- F.3 Authorizing the assignment of up to \$2,713,174 of Measure A1 Base City Allocation and \$2,765,000 of the City’s Affordable Housing Funds to Eden Housing for development of a 79-unit Senior Affordable Housing at 37660 Timber Street – from Deputy Community Development Director Interiano.**
(RESOLUTION)

Background/Discussion – At the November 8, 2016, General Election, Alameda County voters approved the sale of general obligation bonds to provide affordable local housing and prevent displacement of vulnerable populations including low and moderate income families, seniors, veterans, people with disabilities, homeless, and

others most in need. The bond is known as the Alameda County Measure A1 Housing General Obligation Bond (Measure A1). Measure A1 includes a Rental Housing Development Fund (\$425 million) to create and preserve affordable rental housing countywide to be regulated for a period of 55-years.

Revenue from Measure A1 is being allocated through a \$225 million Base City Allocation and a \$200 million Regional Pool fund. The Base City Allocation makes available a certain amount of funds to each city. The City of Newark's allocation is \$5.4 million. The Regional Pool funds are allocated through a competitive process for each region within the County. The City of Newark is part of the South County Regional Pool which was allocated \$30 million.

On September 3, 2019, Alameda County issued a Request for Proposals (RFP) for affordable housing projects in South County. The guidelines for funding require that cities provide a match that, at a minimum, equal the city planning and building fees (not including development impact fees). Proposals must be submitted by October 15, 2019, and the City's participation in this RFP process involves a guarantee to fund the City match.

Eden Housing has been negotiating to acquire a site on Timber Street located behind the shopping center fronting on Central Avenue adjacent to the I-880 freeway. This project would consist of 79 senior housing units. The Timber Street property is located in an area that is being revitalized by new residential construction as a result of rezoning from Limited Industrial District to Residential Medium Density, approved by the City Council in 2010. The intent of the rezoning was to promote the transition of industrial areas near residential neighborhoods to more compatible uses, such as multifamily residential. The proposed project would be located adjacent to restaurants, a grocery store and a block away from public transportation. These adjacencies could result in a more competitive grant application. The Timber Street project would also be consistent with the Community Development Department's Strategic Action Plan as described in the City of Newark's Five Year Forecast 2018-2023 to partner with non-profit affordable housing developers to identify sites that would be appropriate for low-income families and senior housing.

Eden Housing has developed four funding options for the City's consideration. Those funding options are outlined in the attached summary provided by Eden Housing. All four options require a City funding match of \$2,765,000, which would be paid from the City's Affordable Housing Fund. The use of the Regional Pool monies increase from left to right. Options 1 and 3 require use of all of the City's Base Allocation while options 2 and 4 require one-half of the City's Base Allocation. The points awarded for the funding options are below each option. Increasing reliance on use of Regional Pool monies results in lesser points being awarded.

Staff recommends pursuing the second funding option because this option would maximize the City's leverage (second most number of points), yet also only requires use of one-half of the City's Base Allocation. This would leave the other one-half

available for future affordable housing projects. Additionally, even if the City dedicates the required amount of \$2,765,000 in affordable housing funds to this project, the City will still have significant funds remaining as the City has accumulated over \$18 million in its Affordable Housing Fund (Fund 403). If this project is approved, the City would still have over \$15.5 million in its Affordable Housing Fund, in addition to one-half of the City's Base Allocation (approximately \$2.7 million). Thus, even with this project being approved, there would still be over \$18 million from multiple funding sources available to the City to be used for future affordable housing projects.

Finally, there is an imminent deadline of October 15, 2019, to submit a response to the County's RFP for use of the South County Regional Pool monies. If the City does not submit an application by that time, then there is the risk that other projects in neighboring jurisdictions could exhaust the available funds and the City will not have an opportunity to obtain a share of the South County Regional Pool funds.

At this point the only necessary Council action is to adopt a resolution that would authorize the assignment of approximately one-half of the City's Base Allocation and \$2,765,000 of Affordable Housing funds to the project. If the Council accepts staff's recommendation, then staff will work with Eden Housing on furthering this project and also pursue the feasibility of a work/live preference for individuals that work and/or live in the City of Newark to the extent there is interest in providing such a work/live preference.

Attachments – Resolution and Financial Summary

Action – Staff recommends that the City Council, by resolution, support authorizing the assignment of: (1) up to \$2,713,174 of Measure A1 Base City Allocation and (2) \$2,765,000 of City of Newark Affordable Housing funds to Eden Housing for development of a 79 unit senior affordable housing development located at 37660 Timber Street.

G. CITY ATTORNEY REPORTS

H. ECONOMIC DEVELOPMENT CORPORATION

I. CITY COUNCIL MATTERS

J. CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

K. ORAL COMMUNICATIONS

L. APPROPRIATIONS

Approval of Audited Demands.

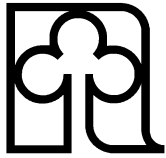
(MOTION)

M. CLOSED SESSION

N. ADJOURNMENT

Pursuant to Government Code 54957.5: Supplemental materials distributed less than 72 hours before this meeting, to a majority of the City Council, will be made available for public inspection at this meeting and at the City Clerk's Office located at 37101 Newark Boulevard, 5th Floor, during normal business hours. Materials prepared by City staff and distributed during the meeting are available for public inspection at the meeting or after the meeting if prepared by some other person. Documents related to closed session items or are exempt from disclosure will not be made available for public inspection.

For those persons requiring hearing assistance, please make your request to the City Clerk two days prior to the meeting.



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AGENDA

Thursday, October 10, 2019

CITY COUNCIL:

Alan L. Nagy, Mayor
Sucy Collazo, Vice Mayor
Luis L. Freitas
Michael K. Hannon
Mike Buccì

CITY STAFF:

David J. Benoun
City Manager

Michael Carroll
Police Chief

Soren Fajeau
Public Works Director

David Zehnder
Recreation and Community
Services Director

Helen Que-Garcia
Acting Human Resources Dir.

Kristopher J. Kokotaylo
Interim City Attorney

Krysten Lee
Finance Manager

Steven M. Turner
Community Deveopment Dir.

Sheila Harrington
City Clerk

Welcome to the Newark City Council meeting. The following information will help you understand the City Council Agenda and what occurs during a City Council meeting. Your participation in your City government is encouraged, and we hope this information will enable you to become more involved. The Order of Business for Council meetings is as follows:

- | | |
|--|--------------------------------|
| A. ROLL CALL | I. COUNCIL MATTERS |
| B. MINUTES | J. SUCCESSOR AGENCY |
| C. PRESENTATIONS AND PROCLAMATIONS | TO REDEVELOPMENT AGENCY |
| D. WRITTEN COMMUNICATIONS | K. ORAL COMMUNICATIONS |
| E. PUBLIC HEARINGS | L. APPROPRIATIONS |
| F. CITY MANAGER REPORTS | M. CLOSED SESSION |
| G. CITY ATTORNEY REPORTS | N. ADJOURNMENT |
| H. ECONOMIC DEVELOPMENT CORPORATION | |

Items listed on the agenda may be approved, disapproved, or continued to a future meeting. Many items require an action by motion or the adoption of a resolution or an ordinance. When this is required, the words **MOTION**, **RESOLUTION**, or **ORDINANCE** appear in parenthesis at the end of the item. If one of these words does not appear, the item is an informational item.

The attached **Agenda** gives the **Background/Discussion** of agenda items. Following this section is the word **Attachment**. Unless "none" follows **Attachment**, there is more documentation which is available for public review at the Newark Library, the City Clerk's office or at www.newark.org. Those items on the Agenda which are coming from the Planning Commission will also include a section entitled **Update**, which will state what the Planning Commission's action was on that particular item. **Action** indicates what staff's recommendation is and what action(s) the Council may take.

Addressing the City Council: You may speak once and submit written materials on any listed item at the appropriate time. You may speak once and submit written materials on any item **not** on the agenda during **Oral Communications**. To address the Council, please seek the recognition of the Mayor by raising your hand. Once recognized, come forward to the lectern and you may, but you are not required to, state your name and address for the record. Public comments are limited to five (5) minutes per speaker, subject to adjustment by the Mayor. Matters brought before the Council which require an action may be either referred to staff or placed on a future Council agenda.

No question shall be asked of a council member, city staff, or an audience member except through the presiding officer. No person shall use vulgar, profane, loud or boisterous language that interrupts a meeting. Any person who refuses to carry out instructions given by the presiding officer for the purpose of maintaining order may be guilty of an infraction and may result in removal from the meeting.