

Addendum to Appendix C

Mission Boulevard Corridor Specific Plan Fiscal Impact Report September 2013

The City's former economic consultant, AECOM Economics, completed a Fiscal Impact Report for the Mission Boulevard Corridor Specific Plan project in November 2010. This study is included in the Specific Plan document as Appendix C and represents a "snapshot in time" of available data and conditions for the period in which the research was conducted. The original Fiscal Impact Analysis by AECOM Economics analyzed the fiscal impact of the scenario described in the Market Analysis, also completed by AECOM Economics, which calls for 650 to 800 residential units and 160,000 sq. ft. of new retail space to be added within the Mission Boulevard Specific Plan area by 2030. While the original Fiscal Impact Report included assumptions about involvement by the Hayward Redevelopment Agency (RDA) and tax increment financing (TIF) that are no longer valid, the study still provides a useful estimate of property and sales tax revenue from new development along Mission Boulevard that will benefit the community and help improve the City's fiscal position.

In order to provide a more up-to-date assessment of fiscal impacts from implementation of the Mission Boulevard Specific Plan and Form-Base Code, staff received assistance from the original project manager at AECOM Economics, William "Bill" Lee, to revise the projected property tax revenues to update the analysis to reflect the loss of expected tax increment revenue. The original analysis resulted in a net positive benefit to the General Fund of \$236,032 in 2020 and \$539,884 in 2030. However, the revised analysis shows a net positive benefit to the General Fund of \$333,324 in 2020 and \$835,737 in 2030 (see Figure 1 below). It is important to note that the tax increment impact to the Hayward Redevelopment Agency would have been \$652,159 in 2020 and \$1,799,975 in 2030. Since TIF is no longer available as a tool for local redevelopment, the revised analysis shows a higher net positive benefit to the General Fund because no TIF revenue will be going to the RDA.

Figure 1: Summary of Annual Fiscal Impact of Specific Plan Implementation		
Annual Impact in Year	2020	2030
Estimated REVISED General Fund Revenue Impact	\$814,420	\$1,963,707
Estimated General Fund Expenditure Impact	(481,096)	(1,127,970)
Net City of Hayward General Fund Impact	\$333,324	\$835,737
Net General Fund with CFD¹ of \$500/unit/year	\$501,324	\$1,235,737
¹ Community Facilities District (CFD) municipal service fee applied to each new residential unit on yearly basis		

The above table includes numbers for the additional positive benefit of forming a Community Facilities District (CFD) and assessing a municipal service fee to each new residential unit on a yearly basis. According to the revised analysis, the net positive benefit to the General Fund from having a CFD of \$500 per unit per year would be \$501,324 in 2020 and \$1,235, 737 in 2030. The institution of CFDs may slow housing development in the near term; however, in the longer term, such districts will help maintain the quality of residential neighborhoods by ensuring adequate municipal services.