



chapter 7

IMPLEMENTATION



This chapter describes the implementation activities and strategies needed to fulfill the vision of the Bay Fair TOD Specific Plan. Implementation of the Specific Plan will require a comprehensive approach that includes private sector development, City actions and resources, and coordination with partners and stakeholders such as BART, Alameda County, property owners, and community members. Development standards in the Specific Plan will guide future investment, with larger residential and non-residential projects providing public benefits, and all developments contributing their fair share to district-wide improvements. Together, these projects will incrementally transform the Plan Area into a more vibrant, successful, and transit-oriented area.

Implementation Actions and Programs

This section lists implementation actions and programs needed to achieve the vision for the Bay Fair TOD Specific Plan. The list of actions in Table 7.1 is organized according to timeframe – short-term, medium-term, and ongoing – and identifies the party responsible for implementation. Different implementation actions may overlap or shift into a different timeframe depending on development timing and funding availability, and the timeframe for different actions could be adjusted over time. Since much of the development in the Bay Fair area will be opportunistic and dependent on market forces over time, the exact timing of many implementation actions is contingent on future development activity.

Actions are categorized as follows:

- **Short-term (2017 to 2019).** Short-term actions include many of the immediate policies, programs, and planning of capital priorities that lay the groundwork for the incremental transformation of the Bay Fair area. These early actions will start to establish the partnerships, organizational structures, and funding mechanisms that will keep the plan moving forward and position the area for future investment and change.
- **Medium-term (2019 to 2025).** Based on the previous actions completed in the short-term period, the medium-term actions focus on guiding development activity, leveraging any new funding mechanisms, commencing construction of public capital improvement projects, and bolstering the identity of Bay Fair as a TOD district. Some projects and programs may continue past this time period as long-term implementation proceeds.
- **Ongoing.** These actions include programs to cover the life of the Specific Plan Area, including ongoing monitoring, maintenance, and coordination.

Table 7.1 Implementation Actions and Programs

IMPLEMENTATION ACTION	DESCRIPTION	PARTIES INVOLVED
SHORT TERM ACTIONS		
Zoning Map and Zoning Text Amendments	Amend the City's zoning map to reflect adoption of this Specific Plan. Amend the Zoning Ordinance to include the B-TOD zone and Residential and Corridor Transition Overlay Zones.	Planning
General Plan Amendments	Amend General Plan B-TOD Land Use classification to increase existing housing density.	Planning
Inter-Agency Memorandum of Understanding	Create an inter-agency Memorandum of Understanding (MOU) between BART, Alameda County, and the City of San Leandro to guide the provision of policing, parking enforcement, maintenance, and other ongoing services necessary for the ongoing functioning of the Bay Fair area.	Multiple City departments, BART, Alameda County
Property Owner Roundtable	<p>Convene, and promote or facilitate regular meetings of, a Bay Fair landowner roundtable to coordinate on issues of development, infrastructure, shared parking, public realm improvement, safety and policing, and coordinated district improvement. Invited participants should include all landowners in the Bay Fair area, particularly large landowners such as:</p> <ul style="list-style-type: none"> • BART • Bayfair Center owners • Target • Fashion Faire place owners • Fairmont Square owners • "King Parcel" owners • Century Theatre owners • Owners of other parcels in Bay Fair and along Hesperian Boulevard 	Planning, Economic Development, property owners
Collaboration between Stakeholders	Encourage property owners and other stakeholders in the Bay Fair area to coordinate and collaborate on areas of mutual interest for the betterment of the area.	Planning, Economic Development, property owners, businesses, residents, other local partners
Policing and Public Safety	Ensure adequate and appropriate presence of police officers, security workers, community service officers, business improvement staff, and/or other staff to visibly promote public safety and well-being, particularly in areas where crime is common.	Police, BART, Alameda County, property owners
Community Policing	Convene or support the creation of a regularly-meeting tenant and resident group in the Bay Fair area focused on community policing and safety, including neighborhood watch and coordination with law enforcement and existing security services.	Police, BART, Alameda County, property owners, resident groups
County Parking Enforcement	Work with Alameda County to encourage and enhance parking management (such as enforcement of existing parking limitations and exploring a residential permit parking program) to reduce the effect of BART spillover parking on nearby residential neighborhoods in the unincorporated County.	Planning, Police, Alameda County, BART
Multi-Jurisdiction Collaboration	Collaborate with other jurisdictions, including BART and Alameda County, to leverage land and funding sources to develop and preserve affordable housing.	Housing, Alameda County, BART
Improved County Connections	Work with Alameda County to improve pedestrian connections to BART.	Planning, Engineering/ Transportation, Alameda County, BART

Landscape Maintenance	Work with the San Leandro Public Works department to ensure regular maintenance and upkeep of medians, landscape area, and vegetated open spaces in and near the Bay Fair area.	Public Works
Housing Developer Collaboration	Collaborate and partner with nonprofit affordable housing and private developers to produce subsidized, income-restricted housing units within the Bay Fair TOD Specific Plan Area.	Housing, nonprofit affordable housing developers, private developers
Coordinate Parking with BART	Negotiate shared parking policies and/or structures with BART.	Planning, BART
Affordable Housing Funding Sources	<p>Identify and dedicate funding to develop affordable housing in the Bay Fair TOD Specific Plan area.</p> <ul style="list-style-type: none"> External Funding Sources: Reduce feasibility constraints for new affordable housing through identifying and leveraging external funding sources, such as state, federal, and regional programs. Municipal Funding: Expand and grow city-level funding for affordable housing, and target resources to the Plan Area. District-Level Funding: Assess the potential to create local district-level funding sources 	Housing, Planning
Short Term Mechanisms for Funding Shared Infrastructure Needs	Explore and adopt tools to ensure early developers will contribute to district wide infrastructure projects later. For example, the City could establish procedures for a Memorandum of Understanding (MOU) or other formal agreement that specifies the standards and conditions that ensure early developers contribute their fair share of costs associated with shared infrastructure needs. These needs and costs may not be immediately clear until the further recommended studies are completed.	Planning, Engineering/ Transportation, Public Works, property owners
Long Term Funding	Study options for establishing long-term funding and financing mechanisms and sources to address district wide needs. This may require building property owner support for new sources, such as district-based mechanisms or development impact fees (as described later in this chapter).	Planning, Engineering/ Transportation, Public Works
Detailed Infrastructure and Phasing Studies	Conduct detailed infrastructure studies to assess and evaluate district wide needs related to the Specific Plan's infrastructure and streetscape improvements. This study should determine shared infrastructure improvements that can help incentivize development activity but are not attributable to any specific development or property owner. The study should also determine costs and phasing options for these infrastructure needs.	Planning, Engineering/ Transportation, Public Works, Economic Development
Renters and Homeowners Assistance	Use citywide resources and programs to assist current Bay Fair Specific Plan area renters and homeowners at risk of displacement.	Housing, partner non-profit agencies
MEDIUM TERM ACTIONS		
Pedestrian-scale lighting plan	Develop a comprehensive plan for pedestrian-scale light in the plan area.	Engineering/Transportation, property owners
Signage and Wayfinding Program	Create a comprehensive signage and wayfinding program emphasizing public art and links to the BART and downtown San Leandro, identifying short-term, medium-term, and long-term priorities.	Planning, Economic Development, property owners

Public Art	Actively work with the City's public Arts Commission and Bay Fair property owners to identify and install one or more major pieces of public art in the Bay Fair area.	Planning, Economic Development, Recreation and Human Services, property owners
Bay Fair/Bayfair Naming Consistency and Branding	To achieve consistency and coordinated branding, work with Madison Marquette to adopt the name "Bay Fair" instead of "Bayfair." Alternatively, work with BART and other property owners in the area to adopt the name "Bayfair" to be consistent with the Bayfair Center.	Planning, Economic Development, property owners, BART
Thornally/Coelho Naming Consistency	To improve wayfinding and orientation in the area, work with Alameda County to establish a single consistent name for the street that connects Hesperian Boulevard with 159th Avenue, currently called "Thornally Drive" in the City and "Coelho Drive" in the County. Consider the single street name of "Thornally Drive," "BART Avenue," a name selected tenants or residents to brand the area, or another single name for this entire stretch of street.	Planning, Economic Development, Alameda County
East Bay Greenway	Establish the East Bay Greenway through the Bay Fair area, in collaboration with the Alameda County Transportation Commission, Alameda County, BART, and other relevant agencies.	Public Works, Engineering/Transportation, Alameda County Transportation Commission, Alameda County, BART, other agencies
Public Infrastructure	The City should commence the first phases of construction of public improvements, as outlined in detailed infrastructure studies.	Public Works, Engineering/Transportation, public agencies
ONGOING ACTIONS		
CalTrans Coordination	Continue to coordinate with CalTrans for any necessary design exceptions or design improvements to the East 14th Street right-of-way	Planning, Engineering/Transportation, CalTrans
Public Benefits List	Maintain and update a prioritized list of priority public benefits projects or improvements in anticipation of future development applications.	Planning, Engineering/Transportation
Parks and Public Space	Work with nearby residents, employers, and property owners to identify areas where new public space, plazas, and neighborhood-serving parks may be added.	Recreation and Human Services, residents, employers, property owners
Maintenance and Repair	Regularly identify, report, and repair broken or vandalized property, facilities, and public spaces in the Bay Fair area.	Property owners, residents, Public Works
Public Parking	Identify potential sites and areas where public parking would be beneficial. Look for opportunities to acquire sites as they become available.	Planning, Engineering/Transportation, Public Works
Affordable Housing Opportunity Sites	Identify housing opportunity sites in the Bay Fair area to be prioritized for inclusion in the Housing Element and for development of affordable housing.	Planning, Housing
Inclusionary Housing	Encourage new market-rate housing development in the Bay Fair area to exceed citywide inclusionary housing requirements.	Planning, Housing
Additional Incentives for Workforce Housing	Prioritize use of available citywide incentives to promote new development of affordable and workforce housing projects in the Bay Fair area.	Housing
Residential Parking Program	Work with surrounding neighborhoods in San Leandro and with Alameda County and nearby unincorporated County neighborhoods to implement permitted residential parking programs to limit long-term parking by BART users in residential neighborhoods.	Planning, Housing

Infrastructure Capital Improvements

This section consolidates the list of capital improvements from other chapters of the Specific Plan. It describes improvements by topic, (e.g. transportation, stormwater system, water system, reclaimed water system, and sanitary sewer) and provides details on the cost, benefit allocation, and timing for each project. Specific funding mechanisms for these projects are described in the Funding Strategy Section beginning on page 132.

Figures 7.1, 7.2, and 7.3 show concepts for how water, stormwater, and wastewater infrastructure can be integrated into the future street grid as it is created, although the final location of this infrastructure is dependent on physical constraints, development phasing, and other design details.

Water System Improvement Projects

There is limited existing water infrastructure within the Plan Area; however, there are large transmission mains ranging in size from 12-inches to 36-inches that surround and bisect it. All new water supply infrastructure that will serve the Plan Area is assumed to be 12-inches. Figure 7.1 shows the proposed location of this infrastructure, in addition to the existing transmission mains.

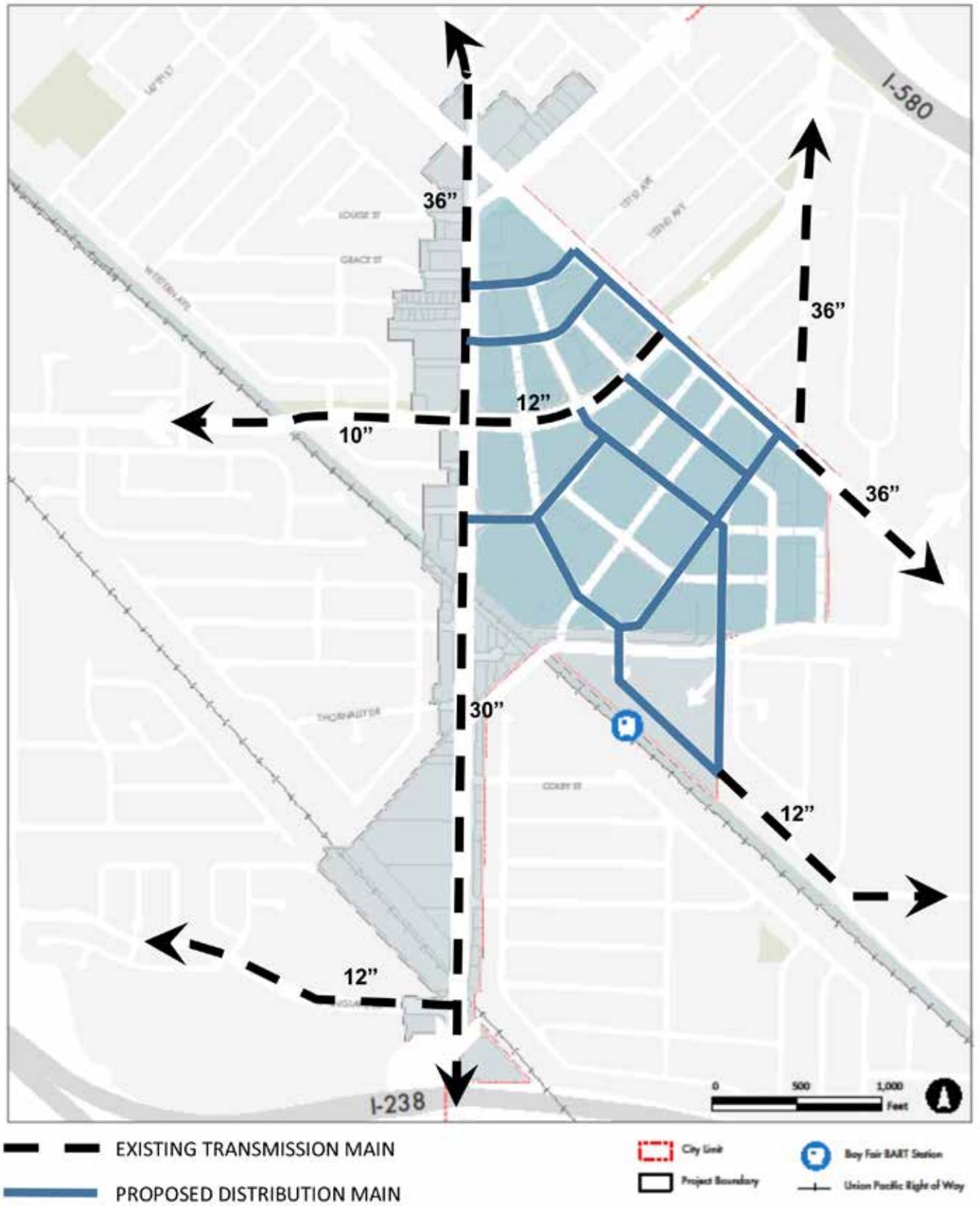
The planning level cost of these studies and the shared backbone infrastructure is provided in Table 7.2.

Service for the Hesperian Boulevard corridor are intended to be designed and constructed with development so no costs are provided for these areas.

Table 7.2 Water System Improvement Projects

PROJECT	DESCRIPTION	EST. PROJECT TOTAL COST (IN 2017 \$)	ESTIMATED PROJECT TIMING
Urban Water Management Plan	Review Urban Water Management Plan to verify that the Bay Fair Specific Plan conforms to all constraints and policies.	\$15,000	Immediate
Water Supply Study	Prepare Water Supply Study to identify pressures, pipe sizes and locations of backbone infrastructure to support peak hour and fire flow demands. The study should detail infrastructure improvements and provide phasing and buildout guidance related to the Specific Plan.	\$25,000	Medium
Water Supply Backbone	Construct Water Supply Backbone infrastructure before or during future street and right-of-way construction in coordination with future development, as shown in Figure 7.1.	\$7,500,000	Ongoing
Total Potential Water System Improvements		\$7,580,000	

Figure 7.1: Water System Improvements



Note: All proposed pipe sizes are assumed to be 12 inches.

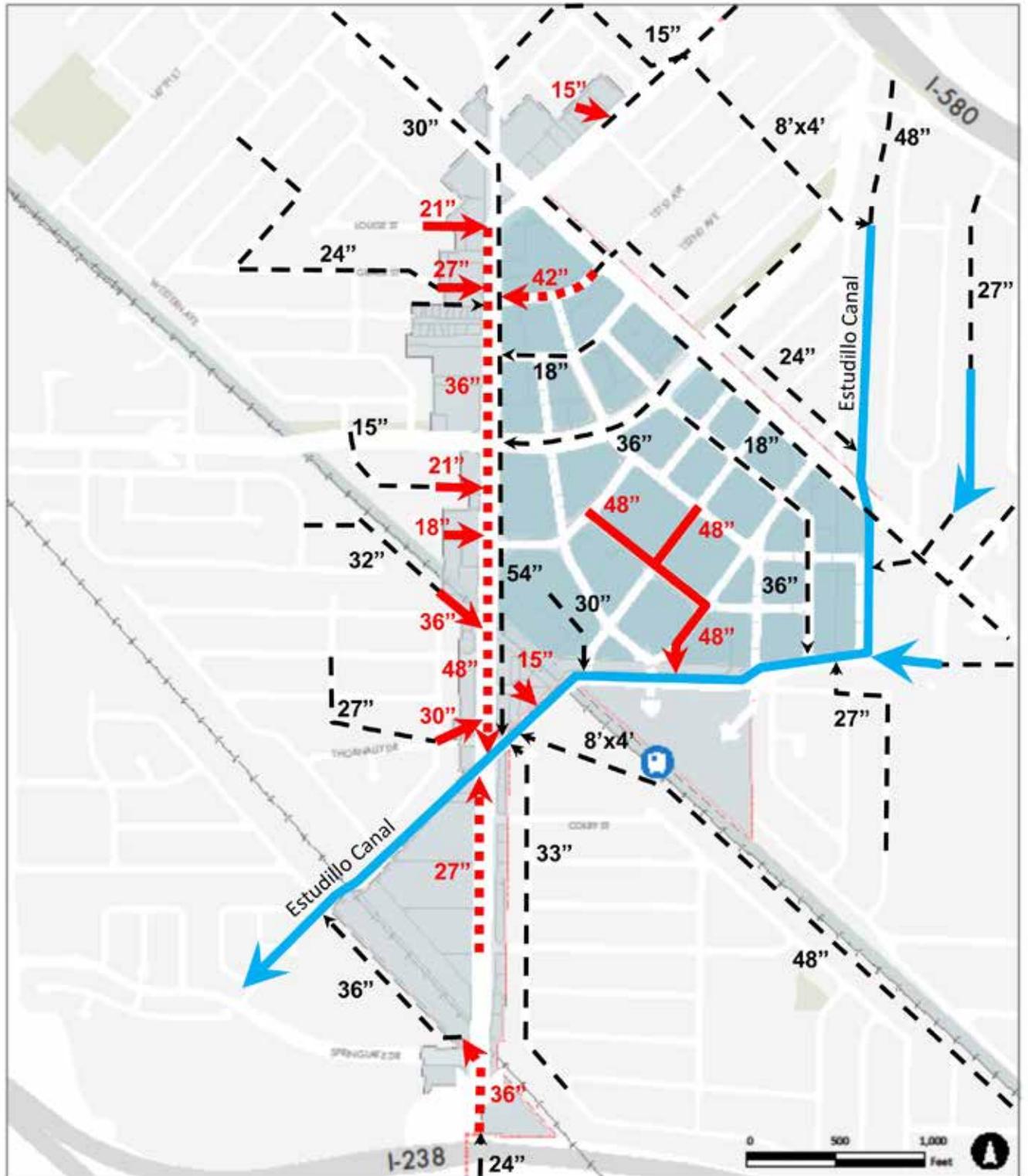
Stormwater System Improvement Projects

There is limited existing water infrastructure within the Plan Area; however, there are large gravity mains ranging in size from 8-inches to 54-inches that surround and bisect it. All new stormwater supply infrastructure that will serve the Plan Area is assumed to be 12-inches. Figure 7.2 shows the proposed location of this infrastructure, in addition to the existing transmission mains.

Table 7.3 Stormwater System Improvement Projects

PROJECT	DESCRIPTION	EST. PROJECT TOTAL COST (IN 2017 \$)	ESTIMATED PROJECT TIMING
Storm Drainage Master Plan	Prepare master plan that removes the Bay Fair Specific Plan Area from its Special Flood Hazard Area designation on Flood Insurance Rate Maps. The new Master plan should detail infrastructure improvements and provide phasing and buildout guidance related to the Specific Plan.	\$150,000	Immediate
Construct Stormwater Drainage Backbone	Construct Stormwater Drainage backbone before or during street and right-of-way construction in coordination with future development, as shown in Figure 7.2.	\$2,130,000	Medium
Estudillo Canal Stormwater Improvements	In coordination with property owners and the Alameda County Flood Control District, construct Flood Control Improvements along Estudillo Canal.	\$13,580,000	Medium
Total Potential Stormwater System Improvements		\$15,860,000	

Figure 7.2: Stormwater System Improvements



- EXISTING OPEN CHANNEL
 - EXISTING STORM DRAIN PIPE
 - PROPOSED STORM DRAIN PIPE
 - UPSIZE EXISTING STORM DRAIN PIPE
- City Limit
 - Project Boundary
 - Bay Fair BART Station
 - Union Pacific Right of Way

Wastewater Collection and Treatment Improvement Projects

There is limited existing infrastructure within the Plan Area; therefore, it is generally assumed that new wastewater collection system backbone infrastructure is needed to serve the entire Plan Area. Figure 7.3 depicts the proposed backbone infrastructure for cost estimating purposes. The proposed collection system can connect to existing trunks at locations approved by the Oro Loma Sanitary District.

The pipe sizes and locations are based upon highest demand condition of all the scenarios envisioned in this Specific Plan. A Wastewater Collection System Master Plan should be prepared that identifies specific backbone improvements needed to serve the Plan Area once more refined development plans are completed.

In some scenarios, proposed building development would be built over existing sewer trunk on the east side of the Plan Area. In these cases, the trunk must be relocated; therefore a reconstruction cost is estimated.

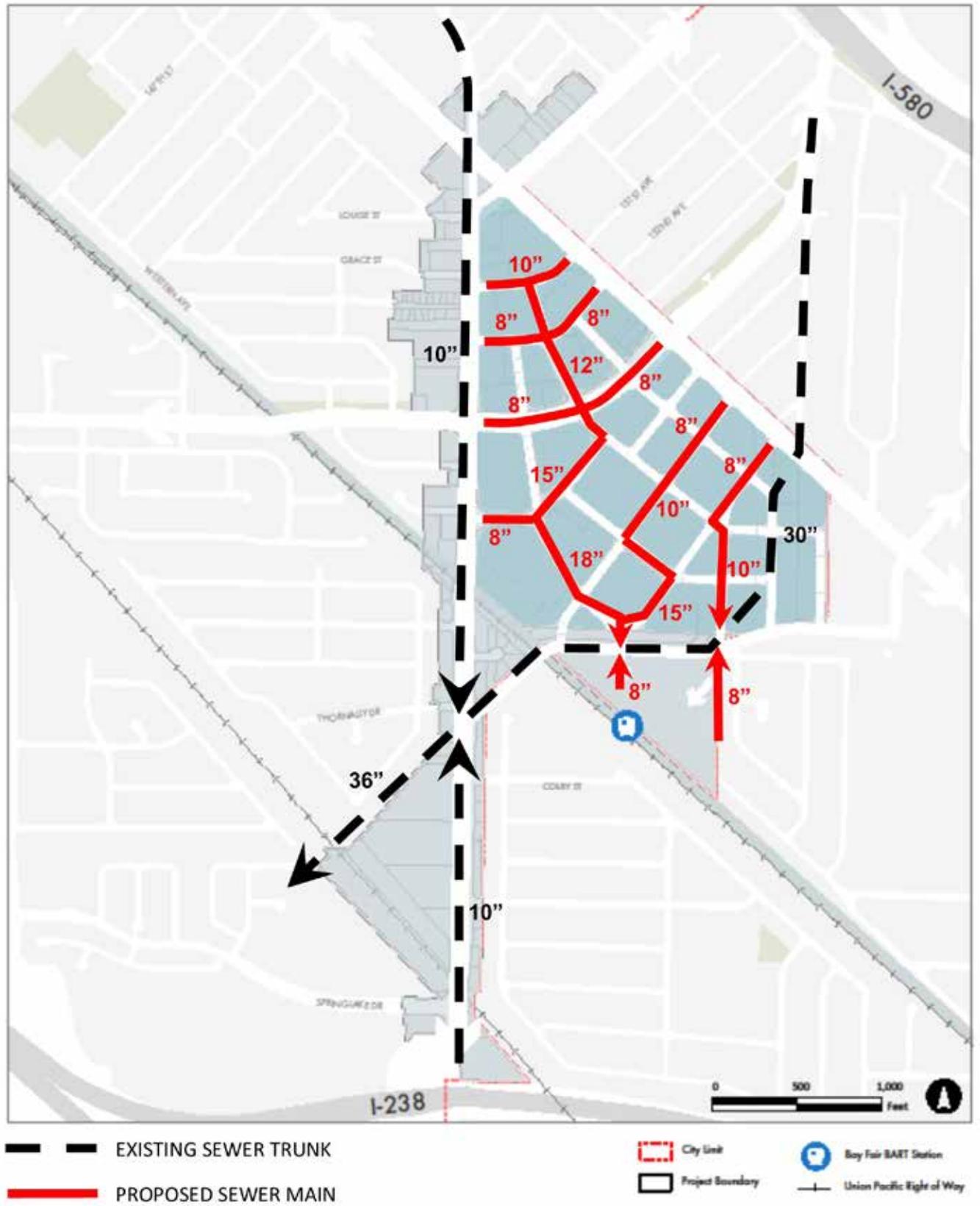
Table 7.4 provides planning level project costs based upon serving the Plan Area with shared backbone infrastructure. Infrastructure cost to serve each development would be borne by future developments.

Service for the Hesperian Boulevard corridor is intended to be designed and constructed with development so no costs are provided for these areas.

Table 7.4 Wastewater Collection and Treatment Improvements Project

PROJECT	DESCRIPTION	EST. PROJECT TOTAL COST (IN 2017 \$)	ESTIMATED PROJECT TIMING
Prepare Wastewater Collection System Study	Prepare Wastewater Collection System Sewer Study to identify system demands, necessary sewer trunk reconstruction, collection system pipe sizes, and location of connections to trunk system.	\$80,000	Medium-term
Sewer Trunk Rerouting & Reconstruction	Reconstruct or relocate regional sewer trunk as necessary based upon future development of Bay Fair Specific Plan Area.	\$1,600,000	Medium-term
Wastewater Collection Backbone	Construct wastewater backbone before or during street and right-of-way construction in coordination with future development, as shown in Figure 7.3.	\$14,000,000	Ongoing
Total Potential Wastewater Collection Improvements		\$15,680,000	

Figure 7.3: Wastewater Collection Improvements



Note: All proposed pipe sizes are approximate.

Reclaimed Water Improvement Projects

The Oro Loma Sanitary District provides reclaimed wastewater to the Skywest Golf Course located next to the Hayward Airport. The golf course is approximately 1 mile east of the treatment plant. The closest available reclaimed water is at this treatment plant. With upgrades to the treatment plant and the construction of a 3 mile pipeline, reclaimed water could serve the Plan Area. While reclaimed water may be available at the San Leandro Water Reclamation Facility (WRF), this facility was not considered because the pipeline to reach the Plan Area is two miles farther than the Oro Loma facility.

If constructed, this pipe could also serve south San Leandro, San Lorenzo and Ashland, at a minimum. Therefore, the preparation of a Reclaimed Water Master Plan is recommended to determine the appropriate pipe size, location, treatment plant improvements, pump station improvements and costs needed to serve both the Plan Area and potential future landscape corridors, parks and industry.

The planning level costs provided in Table 7.5 only include estimates to extend a transmission main to the middle of the Plan Area and the backbone service main for irrigation of landscaping and streetside rain gardens. The backbone is assumed to be provided wherever municipal water backbone is constructed. Therefore, Figure 7.3 also shows the proposed location of the reclaimed water infrastructure within the Plan Area.

A cost estimate to install a localized recycled water treatment plant is not provided here because the demand from the Plan Area was not analyzed for this Specific Plan and it is assumed that the cost provided in project “R-2” (“Upgrade OLSD Treatment Plant and Construct Reclaimed Water Transmission”) is judged to be greater or equal to the cost to construct a localized recycled water treatment plant.

Table 7.5 Reclaimed Water Improvements Projects

PROJECT	DESCRIPTION	EST. PROJECT TOTAL COST (IN 2017 \$)	ESTIMATED PROJECT TIMING
Reclaimed Water Decision	Determine whether reclaimed water will be extended to the Bay Fair TOD Specific Plan area.	No Cost	Short-term
Reclaimed Water Master Plan	If reclaimed water is pursued, create a reclaimed Water Master Plan.	\$120,000	Medium
Reclaimed Water Treatment & Transmssion Main	If reclaimed water is pursued, upgrade WRF or OLSD reclaimed water facilities and construct transmission mains between the treatment facilities and the Plan Area. Alternatively, install a localized package recycled water treatment plant.	\$18,000,000	Medium
Reclaimed Water Backbone	Construct reclaimed water distribution before or during street and right-of-way construction in coordination with future development.	\$7,500,000	Medium
Total Potential Reclaimed Water Improvements		\$25,620,000	

Street and Public Space Capital Improvement Projects

Transforming the Bay Fair TOD Specific Plan Area into a walkable, bikeable, and transit-oriented environment will involve a combination of public and privately-funded infrastructure improvements. Some will happen as part of future private development, including new internal local streets and sidewalk and pedestrian improvements. These are shown in the Specific Plan, which requires internal streets, pedestrian-oriented frontages and connections, and new open spaces as parcels develop over time.

Other projects – such as the re-designs of Fairmont Avenue and Hesperian Boulevard, major intersection improvements, and stormwater improvements to the Estudillo Canal – may involve public capital and coordination. These are listed in Table 7.6 below.

Table 7.6 Street and Public Space Improvement Projects

PROJECT	DESCRIPTION	ESTIMATED PROJECT TIMING
Estudillo Canal	In coordination with property owners and the Alameda County Flood Control District, create at least one large open space adjacent to the Estudillo Canal that also provides a stormwater management function.	Medium-Term
Fairmont Road Diet	Install the Fairmont Drive road diet and buffered bike lanes, as described in Specific Plan concepts.	Medium-Term
Hesperian Road Diet	Install the Hesperian Boulevard road diet and buffered bike lanes, as described in Specific Plan concepts.	Medium-Term
Major Intersection Improvements	Intersection pedestrian crossing improvements along East 14th Street and Hesperian Boulevard.	Medium-Term

Funding and Financing Strategy

The Bay Fair TOD Specific Plan specifies new public infrastructure and amenities required to support the emergence of a walkable, transit-oriented village with residential, commercial, and retail uses. This funding and financing strategy aligns potential funding sources and mechanisms with the types of improvements included in the Plan, and provides a framework for determining responsibilities for constructing and funding improvements. The previous “Implementation Actions and Programs” table specifies detailed steps for selecting and applying specific funding sources to improvements, based on further study of infrastructure costs, phasing, and responsibilities.

Private sector developers, investors, and property owners will drive new investment and construction in the Plan Area. Therefore, it is envisioned that many future improvements planned for the Specific Plan area will be achieved through development by the private sector, including meeting on-site development standards, paying existing and possible future fees, and other funding and financing mechanisms that could apply to all future development.

The City’s funding and financing strategy – which will evolve over time – should ensure that smaller and more immediate development can move forward while also ensuring all development projects contribute to shared district-wide infrastructure needs. Bayfair Center and the BART station are major

redevelopment opportunity sites that could transform the Bay Fair area, yet projects may take longer to deliver at these properties due to competing public priorities, multi-party reciprocal easement agreements, and long-term leases with retail tenants. Given these complications, the selected funding mechanisms must recognize that development is likely to move forward on other smaller parcels prior to the Bayfair Center and BART sites.

The City of San Leandro should take a proactive role in creating development opportunities and momentum by leading coordination for constructing basic infrastructure (e.g., water supply, stormwater, wastewater systems, etc.), and the public realm improvements (e.g. streetscape, bike lanes, open space along Estudillo Canal, etc.). The City may choose to proactively fund and construct the public realm improvements as a means of shifting perceptions of the Bay Fair area and encouraging parallel private and other public (i.e. Alameda County, BART, etc.) investment. Additionally, the City should adopt short-term tools to ensure early development projects pay their fair share towards shared district-wide infrastructure needs triggered by growth, despite the additional time required for the City to complete detailed studies to understand costs, phasing, and shared responsibilities for implementing these infrastructure improvements.

Funding and Financing Sources and Mechanisms

A spectrum of potential funding sources and mechanisms exist for implementing the improvements identified in the Bay Fair Specific Plan. In many cases, multiple funding sources will need to be combined in order to pay for specific projects, as shown in Table 7.7. This section describes these sources and mechanisms and their potential uses in the Plan Area.

Although the terms “funding” and “financing” are often used interchangeably, there is an important distinction between the two terms. “Funding” typically refers to a revenue source such as a tax, fee, or grant that is used

to pay for an improvement. Some funding sources, such as impact fees, are one-time payments, while others, such as assessments, are ongoing payments. “Financing” involves borrowing against future revenues by issuing bonds or other debt instruments that are paid back over time through taxes or fee payments, enabling agencies to pay for infrastructure before the revenue to cover the full cost of the infrastructure is available.

Funding for improvements in the Plan Area can come from a mix of developer contributions (both required and negotiated), city resources, grants, and potential new district-based “value capture” mechanisms. Major categories of funding sources and examples are described below.

Table 7.7 Funding Source Categories, Examples, and Timing of Availability

CATEGORY	SOURCE	ESTIMATED PROJECT TIMING
City Resources	General Fund	Ongoing, and often immediately available if prioritized by the community
	Capital Improvement Program	
Developer Contributions	Development Standards	One-time, as development activity occurs
	CEQA Mitigations	
	Impact/ In-Lieu Fees	
	Negotiated Agreements	
District-Based Tools	Fee Credits/ Reimbursement Agreements	Ongoing, and grows over time. Some sources allow for up-front revenue via bond financing
	Assessment District	
	Community Facilities District	
Outside Sources	Enhanced Infrastructure Finance District	One-time, as sources are typically competitive and timing of availability is uncertain until secured
	Regional, State and Federal Grants	
	User/ service fees	User/service fees are usually paid for ongoing operations and maintenance of existing facilities and services

City Resources

- **GENERAL FUND.** General Fund revenues are primarily used to pay for ongoing municipal services and operations. Both the General Fund and the Capital Improvement Program are critical funding sources for providing up-front, short-term investments to incentivize future private investment activity in the Bay Fair TOD Specific Plan Area.
- **CAPITAL IMPROVEMENT PROGRAM (CIP).** Infrastructure projects identified in the Bay Fair TOD Specific Plan – including the major capital improvement projects – are candidates for inclusion in the City’s Capital Improvement Program, which is updated annually and includes a projection of five years of future infrastructure projects.

Developer Contributions

- **DEVELOPMENT STANDARDS.** Each new development project will contribute to the Bay Fair TOD Specific Plan implementation by meeting requirements regulating each project’s land uses, height, density, bulk, parking requirements, on-site circulation, on-site open space, street frontage improvements, and other features. These standards are adopted in the City’s Zoning Code Ordinance and must be satisfied in order for a project to be granted approval.
- **CEQA MITIGATIONS.** As a requirement of approval, developers may be required to undertake a number of mitigation measures, such as off-site traffic mitigation as defined by the California Environmental Quality Act (CEQA).

- **IMPACT / IN-LIEU FEES.** Impact and in-lieu fees are one-time fees imposed on new developments to pay for improvements and facilities that either serve the new development or reduce the impacts of the project on the community. Fee revenues cannot be used to fund existing deficiencies in infrastructure. In-lieu fees are payments made instead of meeting an on-site development, while impact fees are required unless the impact is addressed in some other way (if allowed). San Leandro’s existing impact fees are dedicated to specific traffic mitigation, street improvements, and parks. The City may also choose to establish fees unique to the Specific Plan through a nexus study.
- **NEGOTIATED AGREEMENTS.** Community benefits are developer contributions that exceed the baseline features required under development standards, environmental mitigation measures, and impact fees. These agreements are typically negotiated for large development projects – often either as a codified condition of approval for projects meeting certain conditions, or in exchange for variances from existing land use regulations – and could potentially be applicable to the larger property holdings in the Bay Fair TOD Specific Plan Area.

- **FEE CREDITS OR REIMBURSEMENT AGREEMENTS.** As part of an impact fee program, the City may establish a system under which a developer can be credited and/or reimbursed for an “oversized” improvement if the improvement will serve more than the development project. Under a fee credit program fee, credits can be provided by the City when a private developer provides public improvements or capital facilities that would otherwise be paid for by the City with impact fee funds. Reimbursement agreements are a form of agreement in which a developer provides infrastructure or facilities that serve the needs of the broader area, which are then dedicated or conveyed to the public. The developer’s additional costs are then reimbursed by the City and/or future development projects that benefit from the infrastructure or facility. These programs will require clear procedures for the application, administration, and issuance of fee credits and reimbursements.

Outside Sources

- **GRANT PROGRAMS.** Various federal, state, and regional grant programs distribute funding for public improvements. Because grant programs are typically competitive, grant funds are an unpredictable funding source, and the City of San Leandro must remain vigilant in applying for grants to implement the Bay Fair TOD Specific Plan.
- **USER AND SERVICE FEES.** Other sources can come from user/service fees charged for the use of public infrastructure or services (e.g. stormwater system charges, wastewater collection fees), but generally pay for ongoing operations and maintenance of existing facilities. User fees are unlikely to be a major source of funding for implementation of the Specific Plan.

District-Based Tools

Land-based financing tools are typically associated with new real estate development to generate benefit-based special assessment revenues or property tax revenues to finance improvements through bond repayment or paying for improvements over time. District-based tools provide a stable revenue stream, while ensuring that properties benefiting from improvements also contribute to those public investments. The following table describes the three primary types of district-based funding and financing tools. Note that assessment districts and community facilities districts (CFD) primarily capture additional funding from private entities, while the enhanced infrastructure financing district reinvests growth in public property tax revenues within the district or Plan Area that would otherwise accrue to the City.

A Mello-Roos community facilities district (CFD) would provide a flexible and substantial revenue source against which it is possible to issue bonds for major capital improvements. Revenues can also be used to fund ongoing operation and maintenance expenses. However, passage of a CFD in the Specific Plan Area is likely to be challenging until property owners reach consensus around shared infrastructure needs and a willingness to contribute significant monetary resources toward resolving those needs.

Table 7.8 Summary of Major District-Based Value Capture Tools

FUNDING TOOL	DESCRIPTION	USES	CONSIDERATIONS
Special Assessment Districts	<p>Additional assessment against a range of participants, depending on the type of district and relative benefit received</p> <p>Examples include: Landscaping and Lighting District, Community Benefit District, Business Improvement District, Property-Based Business Improvement District</p>	<p>Most useful for funding ongoing operations and maintenance.</p>	<p>Requires majority vote of paying stakeholders.</p> <p>Increases costs and risk for paying stakeholders. Stakeholders need to perceive a clear benefit for themselves.</p> <p>Impacts paying stakeholders’ overall ability to support other taxes, fees, and community benefits.</p> <p>Little financial risk to the City or public agencies; could lead to increased tax revenue based on private reinvestment.</p> <p>Additional City staff time to administer districts could offset some gains</p>
Community Facilities District (Mello-Roos)	<p>Additional assessment on property, levied and varied based on a selected property characteristic (excluding property value).</p>	<p>Infrastructure improvements, development of public facilities, ongoing operations and maintenance.</p>	<p>Requires approval of 2/3 of property owners (by land area) if there are fewer than 12 registered voters residing in the district.</p> <p>Boundaries can include non-contiguous parcels.</p> <p>Fees can be proportionally subdivided and passed on to future property / home owners</p> <p>Increases costs and risk for landowners and homeowners if fees dissuade buyers or reduce achievable sales prices.</p> <p>Impacts paying stakeholders’ overall ability to support other taxes, fees, and community benefits.</p>
Enhanced Infrastructure Financing District	<p>Diverts a portion of future General Fund property tax revenues generated within the district to help fund infrastructure projects.</p>	<p>Infrastructure improvements, development of public facilities, affordable housing development.</p>	<p>Formation does not require a local vote, but bond issuance requires a vote of 55 percent of landowners by area if there are fewer than 12 registered voters residing in the district.</p> <p>Does not cost individual property owners additional fees and taxes.</p> <p>Does not divert revenues from schools.</p> <p>Reduces future General Fund revenues by restricting use of the district’s future property tax revenue growth. Does not typically generate significant additional revenue above what the City already receives.</p>

Table 7.9 Infrastructure Improvements and Applicable Funding Sources in the Bay Fair TOD Specific Plan

Infrastructure Improvement Categories	DEVELOPER CONTRIBUTIONS							DISTRICT BASED MECHANISMS					CITY SOURCES				OTHER SOURCES																					
	Development Standards	CEQA Mitigations of Project Impacts	Impact / In-Lieu Fees	Negotiated Agreements	Fee Credits / Reimbursement Agreements	Assessment District (LLD, PBID, CBD)	CFD	EIFD	General Fund	Capital Improvement Program Funds	Other Regional, State, and Federal Grants	User / Service Fees																										
Specific Plan Area Major Infrastructure Capital Improvements																																						
Water System Improvement Projects		X	X	X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X												
Stormwater System Improvement Projects		X	X	X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X												
Wastewater Collection and Treatment Improvement Projects		X	X	X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X												
Reclaimed Water Improvement Project		X		X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X												
Street and Public Space Capital Improvement Projects	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X											
On-Site Projects																																						
Water, stormwater, wastewater, reclaimed water connections	X	X		X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X											
Internal streets and open space	X	X		X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X											

