



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – May 4, 2020

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:00 p.m.

ATTENDANCE (September 2019-July 2020):

Committee Member	Present 5/4/2020	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	6	0	6	0
Council Member Mendall	✓	6	0	6	0
Council Member Salinas	✓	6	0	6	0

OTHERS IN ATTENDANCE:

Jennifer Ott, Deputy City Manager; Paul Nguyen, Economic Development Manager; Monica Davis, Community Services Manager; Catherine Ralston, Economic Development Specialist; Elizabeth Blanton, Associate Planner; Suzanne Philis, Senior Secretary; Heidi Antonescu, Brian Steele, TruMark; Gant Bowman, Eden Housing; Chris Grant, Pacific Housing

PUBLIC COMMENTS

Public Comments were limited to items on the agenda and had to be submitted in writing prior to the meeting. Comments received under those stipulations were read into the record when the item was being discussed.

1. APPROVAL OF MINUTES OF REGULAR MEETING MARCH 2, 2020

Mayor Halliday asked when the items discussed at the last meeting (an update to the Mission Boulevard Form-based Code Regulations and the Tobacco Retail License Ordinance), would be coming back to Council. Associate Planner Blanton said the Planning Commission was scheduled to hear the Form-based Code report later this month and then it would go to Council in June. Staff did not know when the Tobacco Ordinance was coming back. Council Member Mendall said he didn't see it on the Council Tentative Agenda and urged staff to follow up to get it scheduled.

A motion to approve minutes from the March 2, 2020 Regular Meeting was made by Council Member Mendall and seconded by Council Member Salinas. The motion was approved.

2. ROUTE 238 PROPERTIES DEVELOPMENT UPDATE

Deputy City Manager Ott started the item with a general overview of the impact of the COVID-19 pandemic on the real estate market. She noted there would be a significant amount of uncertainty for all future developments for at least the next three to 12 months and all investment in real estate was on hold until the market shook out. That said, she noted the Bay area was well positioned to recover due to the presence of the tech industry, low contagion levels, and pent up demand for certain land uses.

She then continued with the staff presentation reminding members that per the City's agreement with CalTrans, the properties needed to be transferred prior to January of 2022. Deputy City Manager Ott noted the timeline for all developments would be impacted by the COVID crisis and staff would be having additional conversations with CalTran about the timeline.

Regarding Parcel Group 3, Eden Housing Project Developer Gant Bowman said after a lot of hard work they had a good concept and were ready to submit an initial application for a development permit in morning.

TruMark Senior Vice President of Land Acquisition Brian Steele thanked staff for inviting him to speak about Parcel Group 5. He said he was looking forward to continuing the application process and emphasized TruMark was still committed to the project. He noted staff was working on site-specific studies including but not limited to biological, environmental and some geotechnical studies to help them refine the site plan and establish the development feasibility and strategy.

Senior Secretary Philis was asked to read two public comments into the record for Parcel Group 6. The first was from Hayward resident Dean Flatt who objected to the way the project was being handled. Mr. Flatt wrote that the process had not been transparent and was undemocratic. He asked that an agenda item be added to a future City Council meeting for stakeholder feedback, that discussions about the project be held at public meetings rather than closed sessions, and that Council wait until they hear from stakeholders before deciding how to move forward.

Hayward resident Daniel Fernandez said neighbors of Parcel Group 6 had campaigned for significant adjustments to the City's original project design and had been promised by City staff that they would remain involved. Neighbors biggest concern, he wrote, was that traffic be restricted through adjacent neighborhoods.

Tamara and Miguel Flores stated they had not been informed or given prior notice about the Parcel Group 6 development project. At a neighborhood meeting in their home at which Deputy City Manager Ott attended along with 30 other concerned neighbors, all agreed that streets should be closed to through traffic. Other concerns included parking bleeding over into neighborhoods, environmental impacts, noise and debris during construction and future security. The Flores requested that the City keep them involved in the development's process.

Council Member Mendall asked staff to respond to the public comments regarding Parcel Group 6. He noted that they were still very early in the process and there would be many opportunities for public input and comments before any final decisions were made.

Deputy City Manager Ott said staff did try, even before the request went out for Master Plan

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Development proposals, to get input from neighbors including holding a community meeting with noticing going to surrounding property owners. Notices were also sent, she said, when the Master Development Plan for Parcel Group 6 went to both the Planning Commission and City Council for approval. Several of the neighbors were at those meetings, she said, and others held after to discuss traffic concerns.

Deputy City Manager Ott said that once a developer was selected, there would be more opportunities for input as the site plan moved through the approval process. She noted the selected developer would be required to continue the outreach to neighbors. Regarding traffic concerns and possible street configurations, Deputy Manager Ott said the City wanted the developer to be involved in facilitating those conversations. At the February community meeting at the library, neighbors were asked to hang tight because the City needed a private partner before coming back to them. She noted that nothing had happened since then because of the COVID crisis. She said staff would absolutely reengage with neighbors when the project moved forward.

Mayor Halliday pointed out that the process that determined zoning and density for all the CalTrans parcels had happened back in the mid-2000s and it was a very public process. She also noted that the Council was required to protect the public's interest during Closed Sessions, which were necessary during property negotiations, and any actions taken were always reported.

Council Member Mendall noted the Request for Proposals for Parcel Group 6 had a limit of the number of allowable units. He said the number of units actually proposed could be much lower. He also noted that the process still had a long way to go, at least a couple of years.

Council Member Mendall said he had questions about the status of hotel and office development projects already approved but suggested an item be added to the next meeting agenda. He said maybe it could be part of a general COVID update.

Regarding Parcel Group 3, Council Member Mendall said the shrinking of developable land was unfortunate and might lead to an increase in proposed building heights. He said he wasn't opposed to that, but noted the site had a park with a vista point and that vista had better not be looking into any windows or doors. The height of the buildings, he said, should be below the site line for the vista.

Regarding Parcel Group 7, Council Member Mendall asked if the approval of the proposed auto dealership would come to Council. Deputy City Manager Ott said no, that was an administrative approval by the Planning Manager, but Council would have to approve the land transaction.

Regarding a text amendment for Parcel Group 9 to rezone the parcel to General Commercial, Council Member Mendall reiterated that he hoped ground floor residential would not be allowed.

Council Member Mendall said he was glad their development partners hadn't run for hills noting these were still great opportunities. He said he was pleased to see workers back on site at the SoHay development (following distancing protocols), and noted the additional housing was still needed.

Council Member Salinas agreed with Council Member Mendall's comment about not wanting to look at rooftops and bedroom windows from the vista park on Parcel Group 3.

Regarding the public comments received for Parcel Group 6, Council Member Salinas asked if the

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potential developers knew about the neighbors' concerns including maintaining vegetation and creating a setback from the creek. Deputy City Manager Ott said they did and noted staff would be reporting back on responsive efforts at tomorrow night's City Council meeting.

Mayor Halliday noted she must recuse herself from any discussion or decisions relating to Parcel Group 7 due to a conflict of interest. She agreed with Council Member Mendall about maintaining the view from La Vista park on Parcel Group 3. She said she was glad that County officials had just released new guidelines that would allow construction to continue on Parcel Group 5. Mayor Halliday thanked staff for the overview of COVID's impact on development.

Deputy City Manager Ott mentioned that the last home on Parcel Group 5 had been demolished and the City was ready to move on to next steps.

3. UPDATE ON SMALL BUSINESS ASSISTANCE PROGRAMS

Economic Development Specialist Ralston gave the presentation. After the presentation, Mayor Halliday asked Senior Secretary Philis to read a Public Comment from Hayward Chamber of President and CEO Kim Huggett into the record.

Council Member Salinas said he had heard great comments about Economic Development staff and the process for awarding 76 Hayward-based businesses with a \$5,000 grant through the Small Business Resiliency Grant Program.

Council Member Salinas said regarding national business assistance programs, the news had been all bad with many reporting funds were unavailable and getting any response was difficult. He asked staff if they'd heard the same thing from local businesses.

Economic Development Manager Nguyen said absolutely, every local business owner staff had heard from had experienced some trouble with either the Small Business Administration's (SBA) Economic Disaster Loan Program and/or the Paycheck Protection Program (PPP) application process. He said the unprecedented number of applications had crushed the SBA's website capacity and the agency's ability to acknowledge receipt of submitted applications.

Fast-forward one month later, Economic Development Manager Nguyen said, staff now talks weekly with local SBA reps who have taken to heart suggestions such as increasing the number of help lines and providing additional funding to the Small Business Development Centers to pay for translation services and 1:1 counseling. He said the Alameda County Small Business Development Center was a great resource and Council could refer callers there.

Economic Development Manager Nguyen said overall, Economic staff wasn't seeing many local businesses benefit from these massive billion-dollar programs. He said staff was collecting feedback and forwarding comments to local representatives Swalwell and Quirk as well as brokering calls between local businesses and elected officials. He noted the scale of the SBA program was so large and demand so high there was not time to adapt criteria to serve truly small and micro businesses.

He said there were two main problems: a small business was defined as any business with fewer than 500 workers (the majority of all businesses), and that the banks associated with the PPP were catering to businesses that already had accounts with them. Economic Development Manager

Nguyen said one local manufacturer that tried to get a loan under the PPP had no luck with traditional banks, but when the SBA issued new guidelines (but no rules) with the last round of funding, fintech and online banks started taking applications and that same manufacturer was able to get a loan from a fintech.

Council Member Salinas asked if this could be the beginning of cottage industry businesses looking abroad for loans. Economic Development Manager Nguyen said the desperation was certainly there but cautioned business owners to be careful of any scams; they should never pay anyone for assistance with completing an application.

Council Member Mendall praised Economic Development staff and said he appreciated the screening criteria. Regarding the grant program being offered by the Hayward Rotary, he asked Specialist Ralston to confirm how many were being awarded and was told eight additional \$5,000 grants would go to Hayward-based businesses.

Mayor Halliday added that \$10,000 was going to Fire for the testing center.

Mayor Halliday echoed members on thanking staff and received confirmation that Rotary grants could go to any Hayward small business and not just Chamber of Commerce members. Mayor Halliday said the 76 grants awarded didn't solve all the problems of any one business, but they at least helped.

Mayor Halliday asked Economic Development Manager Nguyen about repurposing funds for the second Specialist position to pay for the grant program and the impact that would have on staffing and Economic Development programs. Economic Development Manager Nguyen acknowledged that the Division's current work plan included the second Specialist position, as did the Strategic Roadmap adopted by Council, and said those would have to be reevaluated and some programs pushed out to a future date. He said current staff was adequate and hard-working and the Division would deliver as much as it could with the resources available.

4. FUTURE MEETING TOPICS AS OF MAY 4, 2020

At the next or a future meeting, Council Member Salinas asked for a debriefing of COVID impacts to commercial businesses along the major corridors. He said he would also like staff to track which businesses close so as the economy recovers the City could develop a plan to bring them back.

Council Member Mendall said he would like two things: an update on the projects currently in the Development Pipeline brochure so Council could be aware of any potential problems; and when the shelter in place is lifted and businesses begin to reopen, a survey of businesses and business owners to see how some survived and if there would be anything the City could do to bring back the ones that didn't. He suggested June for the first item, July for the second.

Mayor Halliday suggested an update of COVID impacts be a standing item for the next several agendas.

Mayor Halliday asked the Plan Bay Area 2020 stay on the agenda even though it was difficult to envision what the future may hold, but an update of local COVID impacts would help her better represent the City's interests as both the Hayward and Alameda County representative at the

Association of Bay Area Government Executive Board.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Council Member Mendall said he appreciated that the CED Committee was meeting again. He noted the impact of the COVID crisis could go on for quite a while and it was good the subcommittees were finding a way carry on. He thanked staff for pulling the meeting together. Mayor Halliday agreed.

Economic Development Manager Nguyen acknowledged his staff for making Hayward the first Bay area city to offer a program that put money in the pockets of small business owners. He said over 60 businesses had already received grant funding and the last 12 were pending payment. He said staff had no idea what they were getting into when the program was launched noting over 500 applications were received on the first day alone. He mentioned Specialist Ralston had hand-entered application information for over 600 businesses and in the next week staff would be individually responding to all applicants who were not selected with information on other programs. He said he was incredibly proud of the ED team.

On behalf of Council, Mayor Halliday thanked staff for their work helping the City's business community. She noted however, that the impact of the COVID crisis would be devastating for a really long time and as things start opening back up, hoped staff could help businesses find ways to follow guidelines and develop compliance plans moving forward.

ADJOURNMENT: The meeting was adjourned at 5:15 p.m.