

**CITY COUNCIL
MEETING**

MARCH 7, 2023

PRESENTATIONS

**ALCOHOLIC BEVERAGE
REGULATIONS UPDATE**

ITEM #6

PH 23-013

Proposed Amendments to Alcoholic Beverage Outlets Ordinance

City Council Meeting
March 7, 2023
Steve Kowalski, Associate Planner



Project Background

- "Grow the Economy" adopted as one of six strategic priorities in FY 2021-23 Strategic Roadmap
- "Invest in programs that support Hayward business and workers" included as one of five projects identified under "Grow the Economy" Priority
 - "Revise the alcohol use regulations to support existing and encourage more full-service restaurants" included as one of the programs
- Multi-disciplinary team w/ staff from Planning Division, Police Department and Economic Development Division begins work on project in early 2022
- Public outreach efforts kick off in April
- CEDC meeting in September to obtain feedback on proposed amendments

Outreach Efforts

- ✓ Interviews with Chamber of Commerce president and Downtown Hayward Improvement Association manager
- ✓ Flyer distributed to all 1,200 Chamber members
- ✓ Interviews with owners of several popular local eating/drinking establishments
- ✓ Interviews with owners of two successful East Bay microbreweries
- ✓ Email sent to 110 local restaurant owners having business licenses with the City
- ✓ Article published in July issue of The Stack
- ✓ Stack Extra article also published in July



Amendments Proposed to CEDC

- ✓ Relax required 60:40 ratio of food to alcohol sales to 50:50
- ✓ Amend "full-service restaurant" definition to allow partnerships w/ separate alcohol and food service providers in same premises to qualify, but only establishments licensed as "bona fide eating place"
- ✓ Allow alcohol serving establishments that have freestanding kitchens operated by separate food service providers to qualify as full-service restaurants, but only those licensed as "bona fide eating place"
- ✓ Change times when restaurants can offer happy hour discount pricing from 4:00-9:00 to 2:00-7:00

CEDC Feedback

- Expressed support for all proposed amendments
- Directed staff to explore ways to require all alcohol-serving establishments to offer information to patrons on ways to get home safely in the event of overconsumption
- Asked staff to compare regulations of neighboring municipalities to City's to determine if they are more or less permissive
- Asked staff to examine recent history of alcohol-related crimes to see if significant amount resulted from overconsumption at City restaurants

Alcohol-Related Crimes Resulting from Overconsumption at Hayward Restaurants

- No clear indication that alcohol-serving restaurants contribute disproportionately to # of alcohol-related crimes being committed
- Information as to where perpetrator was drinking not always readily available on Police Reports
- Downtown typically sees highest level of alcohol-related crimes, but also includes highest concentration of bars & nightclubs in addition to restaurants

Regulations of Neighboring Municipalities

- None require minimum ratio of food-to-alcohol sales
- None specify times when happy hour discount pricing is allowed
- None specifically allow partnerships wherein separate entities own food-service and alcohol-service components

List of Amendments Recommended by Planning Commission

- ✓ Relax required 60:40 ratio of food to alcohol sales to 50:50
- ✓ Amend “full-service restaurant” definition to allow partnerships w/ separate alcohol and food service providers in same premises to qualify, but only establishments licensed as “bona fide eating place”
- ✓ Allow alcohol serving establishments that have freestanding kitchens operated by separate food service providers to qualify as full-service restaurants, but only those licensed as “bona fide eating place”
- ✓ Add new performance standard requiring all alcohol-serving establishments to offer information to patrons on safe alternatives for getting home
- ✓ Change allowable happy hour time from 4:00-9:00 to 3:00-8:00

STAFF RECOMMENDATION:

That the City Council adopt a resolution supporting the proposed Zoning Text Amendments to Section 10-1.2750 of the Hayward Municipal Code and finding the Amendments to be exempt from the California Environmental Quality Act (CEQA), and introduces an ordinance codifying the Amendments.

Process for this evening's meeting:

- 1. Council Questions**
- 2. Hold Public Hearing**
- 3. Council Discussion and Motion**

**FY 2023 MID-YEAR
BUDGET**

ITEM #7

LB 23-011

FY 2023 Mid-Year Budget Review and Five-Year General Fund Financial Model Update

Nicole Gonzales, Director of Finance

Summary of Proposed General Fund Mid-Year Changes (Expenditures)

Previous Council Approved Appropriation	FY 2023 Impact (\$)
Employee Contract Terms – Unrepresented Staff, HPOA, Local 1909	\$3,957,875
STEP Grant Appropriations	\$210,000
Behavioral Health Justice Intervention Services Project Grant Appropriations	\$74,501
Appropriate funds for the Golden Oaks II Tract 8058 Access and Utilities Project	\$290,672
CAL OES Grant	\$2,970
Hayward Literacy Council Reimbursement	\$15,750
Previous Council Approved Appropriations Subtotal	\$4,551,768
Proposed Mid-Year Requests (new)	
One-Time Expenditures	\$1,002,000
Transfer Out to Other Funds	\$1,488,509
Proposed Mid-Year Requests (new) Subtotal	\$2,490,509
TOTAL GENERAL FUND EXPENSES	\$7,042,277

Proposed FY 2023 Mid-Year Changes – General Fund

	FY 2023 Adopted	Change	FY 2023 Mid-Year Revised
<i>(in thousands)</i>			
Property Tax		\$1,600	
Utility User Tax (UUT)		\$1,000	
Previous Council Approved Appropriation (Transfer-In)		\$5,902	
Total Revenue	\$199,141	\$8,502	\$207,643
Expenditures			
Employee Contract Terms – Unrepresented Staff, HPOA, Local 1909		\$3,958	
<i>Net Staffing Expenses</i>	<i>\$153,805</i>	<i>\$3,958</i>	<i>\$157,763</i>
Supplies & Services (Mayor & City Council)		\$10	
Contract Services (City Manager's Office)		\$57	
Election Costs (City Clerk)		\$400	
Contract Services (Development Services)		\$500	
Supplies & Services (Library Services)		\$35	
Transfer-Out to Other Funds		\$1,489	
Previous Council Approved Appropriation - Non-Personnel Expenses		\$593	
<i>Net Operating Expenses</i>	<i>\$40,883</i>	<i>\$3,084</i>	<i>\$43,967</i>
Total Expenditures	\$194,688	\$7,042	\$201,730
Total Surplus/(Shortfall)	\$4,453	\$1,460	\$5,914
Reserve Ending Balance	\$43,843		\$47,278
Balance as % of Total Expenses	22.5%		23.4%

General Fund 5-Year Forecast Updated

GENERAL FUND FORECAST - Proposed FY 2023 Mid-Year Changes <i>\$ in thousands</i>	Revised FY 2023 Year 1	FY 2024 Year 2	FY 2025 Year 3	FY 2026 Year 4	FY 2027 Year 5
Revenues	\$207,643	\$199,804	\$207,505	\$214,482	\$219,680
Expenditures	201,730	211,394	217,931	223,853	229,866
<i>Net Change in Reserve - Surplus / (Shortfall)</i>	5,914	(11,590)	(10,425)	(9,371)	(10,186)
Beginning Balance	\$41,364	\$47,277	\$35,687	\$25,262	\$15,892
<i>Net Change in Reserve - Surplus / (Shortfall)</i>	5,914	(11,590)	(10,425)	(9,371)	(10,186)
Ending Balance	\$47,278	\$35,687	\$25,262	\$15,892	\$5,706
Target to maintain 20% GF Reserves in Operating Expenses	\$40,346	\$42,279	\$43,586	\$44,771	\$45,973
General Fund Reserve Level as % of Total Expenses	23.4%	16.9%	11.6%	7.1%	2.5%
Amount Above or (Below) Target 20%	\$6,931	(\$6,592)	(\$18,324)	(\$28,879)	(\$40,268)
Percentage Above or (Below) Target 20%	17.2%	(15.6%)	(42.0%)	(64.5%)	(87.6%)

Summary of Proposed Mid-Year Changes for Other and CIP Funds (Expenditures)

OTHER FUNDS

<i>in thousands</i>	FY 2023 Impact (\$)
Previous Council Approved Appropriations - Other Funds	\$ 10,370
Previous Council Approved Appropriations - Measure C	\$ 56
Total Previous Council Approved Appropriations	\$ 10,370
Proposed Mid -Year Requests Other Funds (new)	\$ 2,724
Proposed Mid-Year Request Measure C (new)	\$ 58
Total Proposed Mid-Year Requests (new)	\$ 2,782
TOTAL OTHER FUNDS EXPENSES	\$ 13,152

CIP FUNDS

<i>in thousands</i>	FY 2023 Impact (\$)
Previous Council Approved Appropriations	\$ 8,117
Proposed Mid -Year Requests (new)	\$ 609
TOTAL OTHER FUNDS EXPENSES	\$ 8,726

ARPA Expenditure Plan Overview

(\$ THOUSANDS)

Expenditure Category	Total Budget	FY 2022 Actuals	FY 2023 Revised Appropriation*	FY 2024 Appropriation
Support public health expenditures, including capitalizing investments in public facilities to meet pandemic operational needs	\$6,940	\$799	\$5,422	\$719
Address negative economic impacts caused by the public health emergency	\$15,700	\$3,915	\$9,685	\$2,100
Replace lost public sector revenue	\$14,500	\$7,250	\$7,250	\$0
Invest in water, sewer, and broadband infrastructure	\$1,238	\$80	\$958	\$200
TOTAL ARPA EXPENDITURES	\$38,378	\$12,044	\$23,315	\$3,019

*Includes unspent FY 2022 appropriated expenditures (carried forward into FY 2023)

Recommendation

That the City Council...

1. Review the FY 2023 Mid-Year budget
2. Adopts a resolution providing amendments to the previously adopted City of Hayward FY 2023 Operating Budget
3. Adopts a resolution providing amendments to the previously adopted City of Hayward FY 2023 Capital Improvement Program Budget

Questions

