

CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Thursday, January 26, 2023

7:00 PM

Council Chambers & Remote Participation (Zoom)

Planning Commission

PLANNING COMMISSION MEETING

NOTICE: The Planning Commission will hold a hybrid meeting in the Council Chambers and virtually via Zoom.

How to watch the meeting from home:

1. Comcast TV Channel 15
2. Live stream <https://hayward.legistar.com/Calendar.aspx>
3. YouTube Live stream: <https://www.youtube.com/user/cityofhayward>

How to submit written Public Comment:

Send an email to cityclerk@hayward-ca.gov by 3:00 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the Planning Commission and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. Written comments received after 3:00 p.m. that address an item on the agenda will still be included as part of the record.

How to provide live Public Comment during the Planning Commission Meeting:

Please click the link below to join the meeting:

<https://hayward.zoom.us/j/89844541289?pwd=RFhqSDFEaU1MaURKUUwvcwURiNTZLZz09>

Webinar ID: 898 4454 1289

Passcode: PC1/26@7pm

Or Telephone:

Dial (for higher quality, dial a number based on your current location):
1 669 900 6833 or +1 646 931 3860 (Toll Free)

Webinar ID: 898 4454 1289

Passcode: 9324969412

A Guide to attend virtual meetings is provided at this link: <https://bit.ly/3jmaUxa>

CALL TO ORDER Pledge of Allegiance

ROLL CALL

ELECTION OF OFFICERS

PUBLIC COMMENTS

The PUBLIC COMMENTS section provides an opportunity to address the Planning Commission on items not listed on the agenda. The Commission welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Commission is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff for further action.

ACTION ITEMS

The Commission will permit comment as each item is called for Public Hearing. Please submit a speaker card to the Secretary if you wish to speak on a public hearing item.

PUBLIC HEARING

Agenda items from the January 12, 2023 Planning Commission meeting are being continued to February 9, 2023

For agenda item No. 1 the Planning Commission may make a recommendation to the City Council.

- 1 [PH 23-003](#) Adoption of the 2023-2031 Housing Element for the City of Hayward.

- Attachments:** [Attachment I Staff Report](#)
 [Attachment II Draft Findings](#)
 [Attachment III Addendum](#)
 [Attachment IV State Department HCD Letter](#)
 [Attachment V City Response to HCD Comment Letter](#)

For agenda item No. 2, the decision of the Planning Commission is final unless appealed. The appeal period is 10 days from the date of the decision. If appealed, a public hearing will be scheduled before the City Council for final decision.

- 2 [PH 23-004](#) Proposed Cannabis Microbusiness with Manufacturing, Distribution, Delivery, and Ancillary Retail Activities Located at 23000 Connecticut Avenue, Suite 5 (Assessor Parcel No. 439-0036-119-00) Requiring Approval of Conditional Use Permit Application No. 202001006. Douglas Chloupek (Applicant); Jon Cook (Property Owner).

- Attachments:** [Attachment I Staff Report](#)
[Attachment II Findings of Approval](#)
[Attachment III Conditions of Approval](#)
[Attachment IV Project Plans](#)
[Attachment V Business and Operations Plan](#)
[Attachment VI Safety and Security Plan](#)
[Attachment VII Sustainability Plan](#)

APPROVAL OF MINUTES

- 3 [MIN 23-002](#) Minutes of the Planning Commission Meeting on December 8, 2022

- Attachments:** [Attachment I Draft Minutes of December 8, 2022](#)

COMMISSION REPORTS

Oral Report on Planning and Zoning Matters

Commissioners' Announcements, Referrals

ADJOURNMENT

NEXT MEETING, FEBRUARY 9, 2023, 7:00PM

PLEASE TAKE NOTICE

That if you file a lawsuit challenging any final decision on any public hearing item listed in this agenda, the issues in the lawsuit may be limited to the issues which were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.

PLEASE TAKE FURTHER NOTICE

That the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.

****Materials related to an item on this agenda submitted to the Planning Commission after distribution of the agenda packet are available for public inspection in the Permit Center, first floor at the above address. Copies of staff reports for agenda items are available from the Commission Secretary and on the City's website the Friday before the meeting.****

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or cityclerk@hayward-ca.gov.



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
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File #: PH 23-003

DATE: January 26, 2023

TO: Planning Commission

FROM: Leigha Schmidt, Principal Planner

SUBJECT

Adoption of the 2023-2031 Housing Element for the City of Hayward.

RECOMMENDATION

That the Planning Commission recommends that the City Council approve an Amendment to the Hayward 2040 General Plan for the Adoption of the 2023-2031 Housing Element; and review an Addendum related to the General Plan Amendment prepared pursuant to the California Environmental Quality Act.

SUMMARY

The Planning Commission is being asked to review and provide a recommendation to the City Council on a proposed General Plan Amendment for Hayward's 6th Cycle Housing Element (2023-2031). Pursuant to State Law, all local jurisdictions in California must update the Housing Element, a required chapter of the City's General Plan every five to eight years. The City of Hayward is on an eight-year cycle. The last Housing Element was adopted on December 2, 2014, and the updated Housing Element is due January 31, 2023. City staff intends to submit the adopted Housing Element to the California Department of Housing and Community Development (HCD) following the City Council meeting, which is tentatively scheduled for February 7, 2023.

A Housing Element provides an opportunity for a community to analyze local housing challenges and develop solutions to address those issues. The Housing Element is composed of goals, policies, programs and actions to remove constraints and streamline new housing development; allow for establishment of a variety of housing types; prioritize funding for affordable housing development, particularly for special needs populations; ensure that programs affirmatively further fair housing goals; provide education and outreach opportunities for the community; and, identify sites that are zoned to accommodate the City's Regional Housing Needs Allocation. It is important to note that State Housing Law does not require that jurisdictions build or finance new housing, but cities must plan for it in a manner that affirmatively furthers fair housing.

ATTACHMENTS

File #: PH 23-003

Attachment I	Staff Report
Attachment II	Draft Findings
Attachment III	Addendum
Attachment IV	State Department of Housing and Community Development (HCD) Letter
Attachment V	City Response to HCD Letter



SUBJECT

Adoption of the 2023-2031 Housing Element for the City of Hayward.

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BACKGROUND

California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11]¹ regulates the use and requirements of housing elements in California. State law requires that the City update its General Plan Housing Element every eight years. State law further

¹ California Government Code, Article 10.6, Housing Elements.
https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65583.&nodeTreePath=11.1.9.11&lawCode=GOV

requires the current update for jurisdictions in the Association of Bay Area Governments (ABAG) region comply by January 31, 2023.

On July 20, 2021², the City Council adopted a Resolution authorizing the City Manager to execute an agreement with Rincon Consultants to prepare a comprehensive update to the Housing Element, the Climate Action Plan, Safety Element and to prepare an Environmental Justice Element. These updates were combined because issues of housing, environmental justice, safety and hazard planning and climate change are inextricably linked and conducting outreach and planning for all of these efforts simultaneously would result in a more comprehensive and holistic approach to each of these issues.

On October 19, 2021, the Planning Commission and City Council held a joint Housing Element Work Session to discuss recent State legislation related to housing, and staff provided updates on status of the Housing Element and Residential Objective Standards Project. Specifically, staff provided background on the City's Regional Housing Needs Allocation (RHNA) and the Housing Element process and discussed a strategy for conducting a broad, equitable outreach plan to enhance community engagement and participation.

Between August 2021 and May 2022, the City's Housing and Climate Team, which was comprised of staff from the Planning Division, Environmental Services Division and the Housing Division, conducted extensive outreach related to updates to the Housing Element, Climate Action Plan and adoption of a new Environmental Justice Element, which included but was not limited to:

- Development of a project website with project information, interactive components, readings and videos about housing, Hayward history, climate change and environmental justice.
- Compilation of extensive contact lists for community and advocacy groups, faith-based and school organizations, Homeowners Associations, Neighborhood Groups, Mobile Home Parks, attendees at various events and interested parties who wrote in and requested to be notified about project updates.
- Development of a bilingual informational gallery that was used at farmers markets, the Hayward Main Branch Library, Chabot College, and at events for the Hayward Promise Neighborhood, NAACP, Hayward Community Family Fair and the Juneteenth Event.
- Focus group with Community Resources for Independent Living (CRIL)
- Partnership with Chabot College to interview over 400 Hayward residents around the topic of housing, segregation, community amenities and environmental pollution in neighborhoods.
- Social media campaign
- Bilingual flyers in water bills and excise tax bills to all households in Hayward
- Handing out flyers at grocery stores, farmers market, laundromats and BART
- Development of housing and climate surveys in English, Spanish and Chinese and prizes for participation

² July 20, 2021 City Council Meeting. <https://hayward.legistar.com/LegislationDetail.aspx?ID=5034289&GUID=A1DD2D35-7B4A-42C8-9284-7DEB78AAD470&Options=&Search=>

- Balancing Act Housing Sites Simulation activity
- Four community workshops on Housing Element, Environmental Justice Element and the updates to the Climate Action Plan

On June 23, 2022³ and July 5, 2022⁴, respectively, the Planning Commission and City Council held work sessions on the Draft Housing Element with emphasis on the proposed sites inventory to meet the Regional Housing Need Allocation (Housing Element, Appendix C, Housing Resources) and the Housing Plan, a set of policies and actions to ensure development of housing at a variety of income levels throughout the City during the next Housing Element cycle. Based on feedback at these work sessions, staff updated the Housing Element sites inventory to remove sites intended for commercial uses, bolstered programs related to outreach and education and clarified information about publicly owned land. Additional information related to comments and feedback at those work sessions are included in the Draft Housing Element.

The Draft Housing Element was made available for public review from July 14, 2022, to August 14, 2022. During that public comment period, the City received 15 comment letters from organizations, stakeholders and members of the public. Copies of all the comment letters and the City's responses to comments are included in Appendix A, Public Participation Report, of the proposed Housing Element.

On July 27, 2022, the City also held another community workshop to take questions and comments on the Draft Housing Element. The conversation at the workshop centered around housing and services for individuals experiencing homelessness, a desire to see more affordable housing production for minimum wage workers and students, and a desire to see more inclusionary housing. In response to public comments received during the workshop and in subsequent correspondence, staff provided clarifying information and added a policy related to Fair Chance Housing that provides support for individuals with poor credit history, poor or no references, those individuals which were formerly incarcerated, and others who face obstacles in obtaining fair housing.

On August 31, 2022, the City submitted the Draft Housing Element to HCD for their 90 day review and on November 28, 2022, HCD provided written comments on the draft submitted. Based on those comments and following subsequent meetings with HCD, the City revised the Draft Housing Element to address those comments received in order to obtain certification of the Housing Element. Staff has included HCD's comment letter as Attachment IV, and the City's comprehensive response to that letter, including references to Housing Element sections and pages that were modified to address the comments, as Attachment V.

In December 2022, a revised Draft Housing Element was re-released for a public review period from December 19, 2022, to January 2, 2023. The revised Draft includes strikethrough and underlined text to reflect deletions and insertions so the public could easily review the changes in the updated draft. The City did not receive any comments during the comment period but after the public comment period closed, a representative from the Carpenters

³ June 23, 2022 Planning Commission Meeting.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5700918&GUID=32FA9808-163E-481B-8A1A-35338F2B92E5&Options=&Search=>

⁴ July 5, 2022 City Council Meeting.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5714861&GUID=624B48B9-038C-4471-8B4A-F14D45C988B0&Options=&Search=>

Union reached out to the City to indicate that their written comment was not addressed in the Draft Housing Element. Subsequent to that comment, staff met with the Union representative on January 11, 2023, and developed proposed Action language that staff recommends be added to the Housing Element to address their comment. Further discussion on this topic and draft Action language is provided in the Staff Analysis section below.

On January 13, 2023 and January 17, 2023, respectively, notice of this public hearing was published in *The Daily Review* and sent to the City's email contact list containing community and advocacy groups, faith-based and school organizations, Homeowners Associations, Neighborhood Groups, Mobile Home Parks, attendees at various events and interested parties who wrote in and requested to be notified about project updates.

PROJECT DESCRIPTION

The draft Hayward 2023-2031 Housing Element⁵ is structured to provide a general overview and summary of all the statutorily required sections of a Housing Element pursuant to State Law. Each section of the Housing Element is briefly summarized below and a hyperlink to the relevant Appendix with more details is also provided.

Part 1, Introduction. This section of the Housing Element provides an introduction, data sources, and a summary of public participation which included but was not limited to the activities outlined in the Background section above. Early outreach efforts focused on education about housing, climate change, safety issues, notification about the Housing Element process, and connecting with and listening to people's stories about their neighborhoods and housing situations. This was done through social media campaigns, surveys, email and mail blasts, flyers, and creation of an interactive website as highlighted in this report. One unique outreach effort included a partnership between the City and Chabot College to have students interview over 400 residents about issues related to housing, discrimination, segregation, and community assets. The interviews were compiled into a GIS map⁶ and provided lived experiences about Hayward residents' struggles and hopes about housing, segregation, neighborhood pollution and community assets. These interviews informed staff's approach to the project and quotes were threaded throughout the Housing Element and Appendices.

To further public engagement, the City used Balancing Act, which is an interactive housing sites simulation tool, to help provide the public with an opportunity to review and provide feedback on various housing element sites. The majority of public feedback received focused on the development of vacant lots in Downtown, along Mission Boulevard, near BART, near Chabot and Cal State East Bay campuses, and along other transportation corridors, such as Tennyson and Industrial. There were also several comments related to neighborhood livability and quality of life, such as requiring a mix of uses, adding bike lanes, investing in public transit, and maintaining

⁵ Hayward Housing Element. <https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/City-of-Hayward-Draft-2023-2031-Housing-Element-6th-Cycle.pdf>

⁶ Chabot College Housing Surveys GIS site. <https://maps.hayward-ca.gov/portal/apps/experiencebuilder/experience/?id=3645991a4e864b3e80ef54803dd83d20>

open space. The proposed sites inventory strongly correlates with the areas prioritized for development in this Balancing Act feedback.

Later, the public outreach focused on promoting the Draft Housing Element, presenting and receiving comments at public workshops and meeting, and updating the Draft Housing Element to provide clarification and additional information or amending it to address comments. Appendix A, Public Participation Report⁷, contains detailed background documents, summaries and results from the surveys and interviews, and highlights various outreach activities. Appendix A also contains copies of all of the comment letters received on the Draft Housing Element, including the City's response to those comments.

Part 2. Housing Needs Summary. The Housing Needs Summary provides insight into Hayward's demographic, socioeconomic, and housing characteristics to ensure that the City understands and directs resources towards households with the greatest needs. Over the past two decades, Hayward's population has steadily increased while it has aged and grown more diverse ethnically and racially (Appendix B, Tables B-2 and B-3). Household incomes in Hayward tend to be lower than those in Alameda County as a whole (Appendix B, Table B-7 and Figure B-1) and Hayward has an average household size that is larger than most surrounding communities.

Special needs groups that were identified in Hayward include senior heads of household, persons with disabilities, large households with five or more persons, female heads of households, individuals living in poverty, individuals experiencing homelessness, extremely low-income households, and students (Appendix B, Table B-12). It is also important to note that many of these demographic or special needs attributes are intersectional. For example, seniors tend to have one or more disability and may also be considered low or extremely low income due to fixed incomes. As such, there are often compounding issues that impact an individuals' ability to find and maintain housing and access services.

Over the past two decades the growth in the City's population has significantly outpaced available housing stock. The majority of housing units in Hayward were built between 1940 and 1999, and many are in need of rehabilitation and repair (Appendix B Table B-5). Additionally, housing is becoming more expensive which adds an additional barrier to overcome. From 2015 to 2020, home values in the City increased by 41 percent with median monthly rent increasing to more than \$2,000 per month (Appendix B, Section 1.8, Housing Costs and Affordability). This precipitous increase in housing costs has led to overcrowded conditions, particularly for renter households who do not have access to larger units (Appendix B, Section 1.7.5 and Figure B-3).

Increased housing costs also have a disproportionate impact on households based on tenure and race leading to a higher cost burden for low income, renter households (Appendix B, Figure B-4, Tenure by Race of Householder). Rates of homeownership are significantly higher among non-Hispanic White and Asian householder than Black/African

⁷ Housing Element, Appendix A, Public Participation Report. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-A-Public-Participation-Report_Revised-Submittal-Per-HCD-Comments.pdf

American, Hispanic/Latino and householders belonging to another racial groups due to historical patterns of segregation, discriminatory lending, and urban renewal. While approximately 40 percent of all households in Hayward are housing cost burdened, 48 percent of Hispanic/Latino households and 53 percent of Black/African American households are cost burdened (Appendix B, Section 1.8.4, Cost Burden).

Housing Element Programs: The Housing Element includes several programs that are intended to support low income and special needs groups, including: Program H-3, Preservation of At-Risk Housing; Program H-4, Affordable Housing Development Assistance; Program H-7, Housing Choice Vouchers; Program H-19, Housing for Special Needs Populations; Program H-23, Rent Stabilization and Tenant Protections; and, Program H-24, Tenant Relocation Assistance. In addition, there are programs related to access, outreach and education, including: Program H-20, Community Outreach and Education; Program H-21, Foreclosure Prevention and Counseling; and Program H-22, Fair Housing Services. Appendix B, Housing Needs Assessment⁸, contains detailed data, tables and references related to each of these topics.

Part 3, Projected Housing Needs. This section of the Housing Element summarizes Hayward’s RHNA allocation which is derived from the State’s projections for growth. To determine these projections, HCD analyzes demographic population information from the California Department of Finance and develops a formula to calculate a figure for each region/Council of Governments based on projected growth. In the 2023-2031 cycle, the Bay Area was allocated 441,176 units (a 234% increase over the last cycle allocation) with about 26% allocated to Very Low Income, 15% to Low, 16% to Moderate and 43% to Above Moderate-income households. The Association of Bay Area Government’s (ABAG) Housing Methodology Committee released the final RHNA in December 2021. Hayward’s allocation for this cycle is 4,624 units, approximately 18% higher than the previous cycle.

Table 1. City of Hayward RHNA Allocations

	Very Low Income (<50% of Area Median Income)	Low Income (50-80% of Area Median Income)	Moderate Income (80-120% of Area Median Income)	Above Moderate Income (>120% of Area Median Income)	Total
2015-2023 Allocation	851	480	608	1,981	3,920
2023-2031 Allocation	1,075	617	817	2,115	4,624

Part 4, Housing Resources. This section provides a description of the various resources needed to construct housing, including land resources, financial resources, and administrative resources. Each section is highlighted below.

Land Resources: As highlighted in Table 2 below, the City can comfortably accommodate the RHNA allocation at all income levels with a healthy buffer of additional sites if a site does not develop in accordance with assumptions provided in the Housing Element. This Section

⁸ Housing Element, Appendix B, Housing Needs Assessment. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-B-Housing-Needs-Assessment_Revised-Submittal-Per-HCD-Comments.pdf

provides a list of entitled and pending projects, an estimate of Accessory Dwelling Units based on past performance, and an identification of suitable sites with zoning to accommodate the projected housing need. According to the draft Housing Resources Chapter, there are currently 2,073 approved or pending units in the City that meet a variety of income levels (Appendix C, Table 4-3 and Figure 4-1). In addition, the City also assumes that a minimum of 320 ADUs will be constructed during the eight year cycle, which is based on the number of ADU previously entitled in the City. This leaves a total of 2,231 units remaining to plan for in the Housing Element, as reflected in Appendix C, Tables C-3 and C-5.

The primary areas anticipated for development include properties within the Downtown Specific Plan area, along the Mission Boulevard corridor, and the former Caltrans 238 parcels, which follow the general development patterns we've seen in the City over the past few years. The Housing Element provides a methodology for how the projected housing units on each inventory site and within each Zoning District is calculated; provides examples of development in Hayward to provide evidence for the City's assumptions and a description of constraints to development, infrastructure and services to serve the future development; and, details resources available for affordable housing development, including financing and administrative resources at the local and statewide levels. Further, the City's analysis shows that there is a 54 percent buffer for development and a 31 percent buffer for lower income units in the event development does not occur based on the City's assumptions (Appendix C, Table C-12, Adequacy of Residential Sites Inventory).

Table 2. Adequacy of Residential Sites Inventory

	Lower Income	Moderate Income	Above Moderate Income	Total
RHNA Allocation	1,692	817	2,117	4,624
Planned and Approved Units	610	82	1,381	2,073
ADUs Anticipated	192	96	32	320
Remaining RHNA	890	639	702	2,231
Downtown Specific Plan Area	643	486	477	1,606
Mission Boulevard Corridor	541	252	540	1,333
Former Route 238 Corridor	0	200	310	510
Total Units on Vacant Sites	433	249	477	1,159
Total Units on Underutilized Sites	751	689	850	2,290
Total Units on Vacant and Underutilized Sites	1,184	938	1,327	3,449
Total Unit Surplus	294	299	625	1,218

It is important to note that while the City's assumptions are primarily focused on higher density development in specific areas, there will likely be additional incremental, infill development in lower density neighborhoods throughout the City during the next Housing Element cycle. This is illustrated by the recent implementation of Senate Bill 9 (SB9) which allows any single-family parcel to be split into two lots and developed with a duplex on each lot, subject to minimum setback and other standards and went into effect on January 1, 2022. Since implementation, Planning staff has developed a SB9 Frequently Asked Questions

brochure and related Checklist application⁹. To date, the City has already processed two SB9 applications for urban lot splits that include new duplexes on each lot. The combination of ADU and SB9, along with the City's Residential Design Standards project, will allow for site specific intensification of development consistent with adopted General Plan densities and result in additional development that has not been predicted at this time. Additionally, over the next eight years there are sites unknown to staff that are also likely to be redeveloped into housing at varying densities in accordance with the City's General Plan and zoning allowances. Financial resources including, but not limited to, Community Development Block Grant funds, HOME funds, County A-1 funds, and the City's Inclusionary funds are financial options available for applicants and can be used to help subsidize new development, preserve and/or rehab existing housing stock, and provide homebuyer and rental assistance. Additionally, State grants (SB2 and LEAP) can be used to streamline permitting processes to allow development opportunities that focus on creation of housing at all income levels and for identified special needs populations. The City received both SB2 and LEAP grant funding and used those monies to update the Density Bonus Ordinance, which was recently adopted, and to develop Residential Design Standards, which is currently underway. Administrative resources available include assistance from the City (Planning, Building, Code Enforcement, Community Services and Housing Division); County assistance (Section 8 vouchers, EveryOne Home); various service providers contracted by the City to provide legal assistance, fair housing services, financial and foreclosure education (ECHO, Centro Legal de la Raza) and affordable housing developers and service providers (Eden, RCD, Abode among others).

Housing Element Programs: Several programs related to housing resources are included in the Housing Element, including Goal H-3 and Programs H-8, Ensure Adequate Sites to Accommodate Regional Fair Share Housing Growth; Program H-9, No Net Loss Zoning; Program H-10, Replacement Housing; and Program H-13, Variety of Housing Types. Additionally, there are various programs in the Housing Element that align financial and administrative resources to help preserve, conserve and improve existing housing stock in the City. These include Program H-1, Minor Home Repair Program; H-2, Residential Inspection Program; H-3, Preservation of At-Risk Affordable Housing; H-4, Affordable Housing Development Assistance; and H-7, Housing Choice Vouchers. Appendix C, Housing Resources¹⁰ contains additional details on each of these programs.

Part 5, Housing Constraints. This section outlines the various constraints to development of housing in the City, including governmental constraints and market constraints. Governmental constraints include zoning standards, requirements to construct on and off-site improvements, development and impact fees, development application processing, and building code requirements. Market constraints include the costs of land, materials and labor, which have risen substantially over the past decade, and supply chain issues which were exacerbated during the COVID pandemic. The increased cost of construction is reflected in increasing housing costs because rent or home sales prices are adjusted to cover the cost of development. As described in the December 8, 2022, presentation to the Planning Commission, governmental policies

⁹ Hayward Senate Bill 9 webpage: <https://www.hayward-ca.gov/your-government/departments/planning-division/senate-bill-9>

¹⁰ Housing Element, Appendix C, Housing Resources. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-C-Housing-Resources_Revised-Submittal-Per-HCD-Comments.pdf

and incentives combine with market forces that impact project feasibility.¹¹ Other constraints to consider include neighbor opposition, labor opposition to projects that do not include specified labor agreements, and other individuals and stakeholder groups opposed to new development based on environmental concerns.

Housing Element Programs: There are several programs in the Housing Element designed to remove or relieve constraints associated with housing development including Program H-14, Development Incentives; Program H-16, Expedited Project Review; and Program H-19, Housing for Special Needs Populations. All the programs include specified actions to reduce or eliminate barriers to development of housing and in particular, housing that is affordable to special needs populations. Appendix D, Housing Constraints¹², contains additional information on each of these programs.

Part 6, Fair Housing. During this Housing Element cycle, each jurisdiction was required to analyze contributing factors to fair housing choice and access to opportunities to implement programs to affirmatively further fair housing. Historically, exclusionary governmental policies, discrimination in mortgage lending practices and long-term disinvestment in communities have created patterns of racial and ethnic segregation and facilitated racial and ethnic concentrations of poverty across neighborhoods (Appendix F, Section 10.1, Historic Patterns of Segregation). As part of the fair housing analysis, a jurisdiction must show that they are disbursing housing throughout the City and in high-resource areas based on Opportunity Maps developed by the California Fair Housing Task Force (Appendix F, pg. 6). The maps take into account economic, environmental and educational indicators to determine resource status for census tracts. Of the 50 census tracts in Hayward, a total of 32 are considered Low Resource, 14 are considered Moderate Resource, and 4 are considered High Resource. In comparison, 35 percent of census tracts in Alameda County are considered Low Resource, 25 percent of the census tracts are considered Moderate Resource, and 40 percent of census tracts are considered High Resource.

Appendix F, Sites Inventory, Figure F-48 and Table F-2, Sites Inventory by Census Tract Characteristics provides the location of Housing Element Sites in Relation to TCAC/HCD Opportunity Areas and shows that the Housing Element sites are located in Low and Moderate Resource areas because those are areas with access to transit, commercial uses and services, and reflects development trends where future development will likely occur. When considering this topic, it's important to remember that people's lived experience of a place might not assign it a "resource" quality and that people's neighbors, communities and families who live in these neighborhoods provide rich social and community connections that are valuable to residents. It is also important to note that livability and quality of place were important to community members throughout the outreach process, so the Housing Element contains programs to improve place-based strategies to encourage community conservation and revitalization to improve the quality of lived experiences within "low" resource areas.

¹¹ December 8, 2022 Planning Commission. Affordable Housing Ordinance Feasibility Study.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5953434&GUID=A7E831B1-A639-4A1D-842E-B1A5D1F1AAAF&Options=&Search=>

¹² Housing Element, Appendix D, Housing Constraints. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-D-Housing-Constraints_Revised-Submittal-Per-HCD-Comments.pdf

Housing Element Programs: Appendix F, Table F-3, Fair Housing Issues, Contributing Factors and Key Programs contains a comprehensive list of Fair Housing-related programs in the Housing Element that are intended to protect existing residents from displacement; improve place-based strategies to encourage community conservation and revitalization, including conservation and preservation of existing affordable housing; encourage development of new affordable housing in areas of high opportunity; and enhance fair housing outreach and housing mobility strategies. Appendix F, Fair Housing Assessment ¹³ contains additional details on each of these programs.

Part 7. Housing Plan. The Housing Element concludes with a Housing Plan that the City will undertake during the next eight-year cycle to support, incentivize and produce housing in the City. The Housing Plan contains the following Goals:

- Preserve, Conserve and Improve Existing Housing Stock
- Assist in the Development of Affordable Housing
- Provide Adequate Sites
- Remove Constraints on Development
- Provide Housing for Persons with Special Needs and
- Provide Equal Housing Opportunities for All Persons

Each of the Goals is followed by a set of Policies, Actions, Objectives, Timeframes and importantly sets forth the Responsible Agency and Funding Sources for achieving the Action.

Some Programs and related Actions are specific and measurable, such as providing grants for home repair (Program H-1); conducting a certain number of rental inspections per year (H-2); providing housing subsidies to specific populations and holding a certain number of workshops for tenants and landlords every year (Programs H-7, H-20, H-21, H-22); and completing zoning text amendments to support a variety of housing types (Program H-13).

Other Programs and Actions are intended to monitor, measure and pivot, if needed, during the Housing Element cycle in order to meet the subject Goal. These include issuing Notices of Funding Availability, which can only occur if funding is available (Programs H-3, H-4, H-7, H-19 and H-21); monitoring development of ADUs and SB9 developments and implementing changes or the Municipal Code to incentivize development of this type of housing in High Resource areas throughout the City (Program H-17 and H-18); and providing expedited project review for affordable housing (Program H-16). Some of the Policies and Actions are prescribed by HCD but all of them have been modified and tailored to meet Hayward's specific characteristics, policies, practices and community desires and needs.

Summary of HCD Comments and Modifications

On November 28, 2022, HCD provided a comment letter detailing necessary revisions to the Draft Housing Element in order to comply with State Housing Element Law (Attachment IV). Comments centered around providing additional information related to housing needs for specific populations; additional fair housing analysis; suitability of

¹³ Housing Element, Appendix F, Fair Housing Assessment. <https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-F-Fair-Housing-Assessment-HCD-Revisions-Revised-Submittal-Per-HCD-Comments.pdf>

non-vacant sites for redevelopment; program changes for publicly owned land; processing and permit program changes related to emergency shelters, group homes, permanent supportive housing, employee housing and by right zoning for previously used housing element sites; fees and exactions; energy conservation; quantified objectives; and public participation.

On December 8, 2022, city staff met with the HCD reviewer to discuss the comments and the City's planned responses. HCD's original comments, the City's response, and related amendments are provided in Attachment V to this staff report and were released for a second public review between December 19, 2022 and January 2, 2023. On January 3, 2023, the City submitted the revised Draft Housing Element to HCD for review and has not received additional feedback from HCD. The City did not receive any additional comments during the comment period on the recirculated Housing Element, with the exception of a late comment that staff noted in the Background section above. Additional discussion on this comment is noted in the Staff Analysis section below.

POLICY CONTEXT AND CODE COMPLIANCE

Pursuant to California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11], the Housing Element shall contain the following statutorily defined sections:

- **Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities).
- **Evaluation of Past Performance:** Review the prior Housing Element to measure progress in implementing policies and programs.
- **Housing Resources and Sites Inventory:** Identify locations of available sites for housing development or redevelopment to ensure there is enough land zoned for housing to meet the future need at all income levels as provided in the RHNA.
- **Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
- **Housing Plan:** Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.
- **Affirmatively Furthering Fair Housing:** Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing in this Housing Element Cycle by taking “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics” as mandated by the 1968 Fair Housing Act.
- **Community Engagement Plan:** The Housing Element must include a robust community engagement program, reaching out to all economic segments of the community with an emphasis on traditionally underrepresented groups.

Pursuant to Hayward Municipal Code Section 10-1.3425(b), the Planning Commission may recommend approval of an amendment to the General Plan upon making the following findings:

1. Substantial proof exists that the proposed change will promote the public health, safety, convenience and general welfare of the residents of Hayward;
2. The proposed change is in conformance with the purposes of the Zoning Ordinance and all applicable, officially adopted policies and plans;
3. Streets and public facilities existing or proposed are adequate to serve all uses permitted when property is reclassified; and
4. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

Staff believes that the Planning Commission can make the findings to recommend City Council approval of the Draft Housing Element, with an amendment to add an Action related to coordination with labor groups as detailed below and provided additional analysis in Attachment II.

STAFF ANALYSIS

As mentioned above, staff believe the Planning Commission can make the required finding to support a recommendation of approval to the Council on the Draft Housing Element, as amended with staff's recommended text. Staff believes there is substantial proof that the proposed change will promote the public health, safety, convenience and general welfare of the residents of Hayward in that the amendments are being undertaken to comply with State Law. Compliance with State Law and annual reporting on ongoing compliance is required to access transportation housing and other funding sources and makes the City more competitive for grant funding to construct affordable housing and infrastructure improvements.

In adopting State Housing Element Law, the legislature found that "California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives." (Government Code Section 65589.5.). As documented in the Draft Housing Element and specifically in Appendix A, Housing Needs Assessment, Hayward's residents are also experiencing a crisis in affordability which is related to a lack of affordable housing, particularly for low-income and special needs households.

Staff believes that the Housing Element and related Appendices are consistent with State Law requirements and provide a comprehensive overview of public outreach and relationship building conducted throughout this Housing Element effort (Appendix A); a thorough overview of community demographics including special needs households (Appendix B); a description of housing resources including a robust sites inventory with a healthy buffer to accommodate the City's RHNA (Appendix C); a thorough analysis of constraints to housing development (Appendix D); a review of past

accomplishments (Appendix E¹⁴); and, a thorough fair housing analysis (Appendix F), all of which was used to develop a robust set of goals, policies, programs and actions intended to create more affordable housing to work towards meeting the needs of a variety and diversity of households over the next eight years (Housing Element, Section 7, Housing Plan).

The Draft Housing Element is in conformance with the purposes of the Zoning Ordinance, and all applicable, adopted policies and plans in that it will implement State Housing Law, and is consistent with the City's Strategic Priorities related to housing and the Let's House Hayward Plan. Several Actions set forth in the Housing Plan call for amendments to the Zoning Ordinance in order to comply with State Law and incentivize a variety of housing types. Such amendments include the following:

- Replacement housing requirements (Action 10.1)
- By right approval for certain sites with minimum affordable requirements that were used in the previous Housing Element cycle (Action 11.1)
- To allow for a variety of housing types on church owned properties and parking lots; and streamline processes to establish supportive housing, group homes, emergency shelters (Actions 13.1 through 13.7)
- Update to reflect SB9 allowing urban lot splits and duplexes on single family residential lots (Action 18.1)
- Update of Reasonable Accommodations Ordinance (Action 19.14)

The Amendments detailed above would implement the Housing Element, ensure consistency with State Law and affirmatively further fair housing, particularly for special needs populations. Because the proposed Housing Element does not include any land use changes, its adoption would not have an impact on streets or public facilities.

Proposed Revision. Following the second public comment period, staff met with a representative from the Carpenters Union who reiterated their initial request that the City adopt an Ordinance for developments with ten or more units to include apprenticeship and local hire requirements. As described in the responses to comments (Appendix A), staff believes that the adoption of such an Ordinance could be considered a new constraint to development, which is in opposition to Housing Element Law, which is intended to identify and remove any constraints to the greatest extent feasible. However, staff also acknowledges that availability of an adequate, trained workforce is a constraint to building additional housing. To this end, staff recommends that the following Action language be added to the Housing Plan:

Recognizing that labor supply is a constraint to development, the City will meet with trades labor groups and organizations to discuss ways in which the City can support an adequate supply of labor to build new housing. Hold at least one meeting with trades labor groups per year.

¹⁴ Housing Element, Appendix E, Review of Past Accomplishments. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-E-Review-of-Past-Accomplishments_Revised-Submittal-Per-HCD-Comments.pdf

Similar language was adopted by a neighboring jurisdiction thus staff does not believe that the addition of such language would be construed as a new constraint by HCD.

The proposed Housing Element and related Housing Plan will be compatible with present and future uses, and a beneficial effect will be achieved following adoption of this Housing Element not obtainable under existing regulations in that the Housing Element contains a plan, consistent with State Law, to achieve housing related goals to streamline housing production, allow for a variety of housing types to be developed throughout Hayward, and to allocate funding toward activities that will support special needs households. Realistically, the Housing Element will not solve the State, regional or local housing crisis however it contains a roadmap to incrementally increase the amount and variety of housing available to Hayward's residents with an emphasis on assisting the most vulnerable households.

ENVIRONMENTAL REVIEW

On July 1, 2014, the City Council adopted Resolution No. 14-108, approving the Hayward 2040 General Plan Update and related Program Environmental Impact Report (EIR)¹⁵.

In accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Such conditions include:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of any new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

¹⁵ Hayward 2040 General Plan Draft and Final EIR with Mitigation Monitoring and Reporting Program:
<https://www.hayward-ca.gov/your-government/documents/planning-documents>

- d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

NEXT STEPS

Following the Planning Commission hearing and recommendation, the item is tentatively scheduled for a public hearing at the February 7, 2023, City Council meeting. Once adopted, the final, adopted Housing Element will be sent to HCD for review and certification.

Prepared by: Leigha Schmidt, Principal Planner

Recommended by:



Jeremy Lochirco, Planning Manager

Approved by:



Sara Buizer, AICP, Acting Development Services Director

**PROPOSED GENERAL PLAN AMENDMENT
TO INCORPORATE THE DRAFT 2023-2031 HOUSING ELEMENT
AND ASSOCIATED ADDENDUM
DRAFT FINDINGS OF APPROVAL**

CALIFORNIA ENVIRONMENTAL QUALITY ACT

- A. In July 2014, the City Council certified a Final Program Environmental Impact Report, adopted the Statement of Overriding Considerations, approved the Mitigation Monitoring and Reporting Program, Adopted the Hayward 2040 General Plan, and Approved related amendments to the General Plan Land Use Map for certain properties in the Planning Area.
- B. Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164, Rincon LSA prepared an Addendum, dated January 2023, analyzing amendments to the General Plan. Specifically, the project consists of a comprehensive update to the City of Hayward Housing Element, a comprehensive update to the City of Hayward Hazards Element, and the addition of the City of Hayward Environmental Justice Element, which were altogether referred to and analyzed as the “project” throughout the Addendum.
- C. In accordance with Section 15164 of the CEQA Guidelines, a lead agency shall prepare an Addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Specifically, an Addendum is appropriate when there has been no substantial change proposed in the project or the circumstances under which the project is being undertaken, nor is there any new information that would require additional environmental review. In this case, the proposed Project would not require rezoning or land use changes not previously known or analyzed in the General Plan EIR; therefore, the previously certified Mitigation Monitoring and Reporting Program remains valid and applicable with the Amendments.
- D. Pursuant to CEQA Guidelines 15164(g), an Addendum need not be circulated for public review but can be included in or attached to the Final EIR.
- E. The adopted Final EIR identified all potential significant adverse impacts and feasible mitigation measures that would reduce impacts to a level of less than significant, and that all the applicable mitigation measures identified in the Mitigation Monitoring and Reporting Program and related to the proposed project will be implemented, if applicable, as described in the Addendum. Based on the Final EIR and the Addendum, there is no substantial evidence that the Project would have a significant effect on the environment.
- F. The project complies with CEQA, and that the previously certified Final EIR, Mitigation Monitoring and Reporting Program and Addendum was reviewed and considered prior to approving the project.

GENERAL PLAN AMENDMENT

Pursuant to Hayward Municipal Code Section 10-1.3425(b), the Planning Commission may recommend approval of an amendment to the General Plan upon making the following findings:

A. Substantial proof exists that the proposed change will promote the public health, safety, convenience and general welfare of the residents of Hayward;

In adopting State Housing Element Law, the legislature found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives.” (Government Code Section 65589.5.). As documented in the Draft Housing Element, Hayward’s residents are also experiencing a crisis in affordability which is related to a lack of affordable housing, particularly for low-income and special needs households.

The Draft Housing Element and related Appendices are consistent with State Law requirements and provide a comprehensive overview of public outreach and relationship building conducted throughout this Housing Element effort (Appendix A); a thorough overview of community demographics including special needs households (Appendix B); a description of housing resources including a robust sites inventory with a healthy buffer to accommodate the City’s RHNA (Appendix C); a thorough analysis of constraints to housing development (Appendix D); a review of past accomplishments (Appendix E¹); and, a thorough fair housing analysis (Appendix F), all of which was used to develop a robust set of goals, policies, programs and actions intended to create more affordable housing to works towards meeting the needs of a variety and diversity of households over the next eight years (Housing Element, Section 7, Housing Plan). The addition of an Action related to working with skilled labor groups to discuss ways in which the City can support an adequate supply of labor to build new housing will further address constraints to development.

There is substantial proof that the proposed change will promote the public health, safety, convenience, and general welfare of the residents of Hayward in that the amendments are being undertaken to comply with State Law. Compliance with State Law and annual reporting on ongoing compliance is required for local jurisdictions to access State funding sources, and a compliant Housing Element makes the City more competitive for grant funding to construct affordable housing and infrastructure improvements. While it will not

¹ Housing Element, Appendix E, Review of Past Accomplishments. https://haywardhousingandclimateupdate.com/wp-content/uploads/2022/12/Appendix-E-Review-of-Past-Accomplishments_Revised-Submittal-Per-HCD-Comments.pdf

solve the State, regional or local housing crisis, the proposed Housing Plan contains a roadmap to meet the City's Regional Housing Needs Allocation, remove constraints for all housing and for housing for special needs populations and allocates funding and resources towards repairing and rehabilitating aging housing stock, inspecting rental housing, fair housing education and resources, and other services that will serve Hayward's residents.

B. The proposed change is in conformance with the purposes of the Zoning Ordinance and all applicable, officially adopted policies and plans;

The Draft Housing Element is in conformance with the purposes of the Zoning Ordinance, and all applicable, adopted policies and plans in that it will implement State Housing Law, and is consistent with the City's housing-related Strategic Priorities as well as the Let's House Hayward Plan. Several Actions set forth in the Housing Plan call for amendments to the Zoning Ordinance to comply with State Law and to incentivize a variety of housing types, particularly for special needs populations including but not limited to individuals with disabilities, individuals experiencing homelessness, children aging out of foster care, extremely low-income households, among others. Such amendments include the following:

- Replacement housing requirements (Action 10.1)
- By right approval for certain sites with minimum affordable requirements that were used in the previous Housing Element cycle (Action 11.1)
- To allow for a variety of housing types on church owned properties and parking lots; and streamline processes to establish supportive housing, group homes, emergency shelters (Actions 13.1 through 13.7)
- Update to reflect SB9 allowing urban lot splits and duplexes on single family residential lots (Action 18.1)
- Update of Reasonable Accommodations Ordinance (Action 19.14)

The Amendments detailed above would implement the Housing Element, ensure consistency with State Law and affirmatively further fair housing, particularly for special needs groups.

C. Streets and public facilities existing or proposed are adequate to serve all uses permitted when property is reclassified;

The proposed General Plan Amendment to include the 2023-2031 Housing Element does not include any land use changes in order to accommodate the Regional Housing Needs Allocation. Further, the Zoning Text Amendments outlined above would not result in significant land use changes that would impact streets or public facilities in that the amendments would allow for a variety of household types to occupy properties intended for residential uses; therefore, it's adoption would not have an impact on streets or public facilities.

D. All uses permitted when property is reclassified will be compatible with present and potential future uses, and further, a beneficial effect will be achieved which is not obtainable under existing regulations.

The proposed Housing Element and related Housing Plan will be compatible with present and future uses, and a beneficial effect will be achieved following adoption of this Housing Element not obtainable under existing regulations in that the Housing Element contains a roadmap to achieve housing related goals to streamline housing production, allow for a variety of housing types to be developed throughout Hayward, and to allocate funding toward activities that will support special needs households.

Further, the General Plan Amendment to adopt the 2023-2031 Housing Element is being undertaken to comply with State Law. Compliance with State Law and annual reporting on ongoing compliance is required for local jurisdictions to access State funding sources, and a compliant Housing Element makes the City more competitive for grant funding to construct affordable housing and infrastructure improvements, which would not be available to the City otherwise.



Housing Element Update, Hazards Element Update and New Environmental Justice Element

Addendum to the City of Hayward General Plan 2040 Environmental Impact Report SCH # 2013082015

prepared by

City of Hayward

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January 2023



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Housing Element Update, Hazards Element Update and New Environmental Justice Element

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1 Introduction

This document is an addendum to the *City of Hayward General Plan 2040 Final Environmental Impact Report (EIR)* (State Clearinghouse #2013082015), which was certified by the City of Hayward City Council in July 2014 (2014 General Plan EIR). This addendum addresses the proposed Housing Element Update, Hazards Element Update, and New Environmental Justice Element (“project”).

In accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, codified in Sections 15000 et seq. of Title 14 of the California Code of Regulations, a lead agency must prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Under Section 15162(a), where an EIR has been certified for a project, no subsequent EIR shall be prepared for the project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, that there are substantial changes in the project or circumstances or substantially important new information that will cause the project to have significant new impacts or substantially increase previously identified significant impacts.

The addendum does not need to be circulated for public review but can be included in or attached to the Final EIR (Section 15164[c]). The decision-making body must consider the addendum with the final EIR prior to making a decision on the project (Section 15164[d]). An addendum should include a brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162, supported by substantial evidence, the lead agency's findings on the project, or elsewhere in the record (Section 15164[e]). A discussion on this topic can be found in Section 4, *Decision Not to Prepare a Subsequent Environmental Impact Report*, of this addendum.

This addendum has been prepared in accordance with relevant provisions of CEQA (California Public Resources Code Section 21000, *et seq.*) and the *CEQA Guidelines*. It describes the proposed project and compares its impacts to those identified in the 2014 General Plan EIR. The analysis demonstrates that the proposed project does not require the preparation of a subsequent or supplemental EIR.

2 Background

This section provides an overview of the Hayward 2040 General Plan and its EIR to provide context for this addendum.

2.1 Hayward 2040 General Plan

On July 1, 2014, the City Council of the City of Hayward approved the Hayward 2040 General Plan. The City's General Plan provides goals, policies, and programs intending to guide development in the City for 26 years through the planning horizon year of 2040. The General Plan includes 10 elements, including Land Use and Community Character; Mobility; Economic Development; Housing; Community Safety; Natural Resources; Hazards; Education and Lifelong Learning; Community Health and Quality of Life; and Public Facilities and Services which comprise those General Plan elements required by State law (Land Use, Circulation, Housing, Open Space, Conservation, Noise, and Safety), as well as three additional elements. The purpose of the General Plan is to:

- Identify land use, transportation, environmental, economic, and social goals and policies as they relate to land use and development.
- Provide a basis for a community's decision-making regarding land use.
- Provide citizens an opportunity to participate in the planning and decision-making process.
- Inform citizens, developers, decision-makers, and others of the ground rules that guide development in the community.

The City of Hayward's planning area is located approximately 20 miles southeast of San Francisco, in an area commonly referred to as the "East Bay." The project planning area includes all the land in the City's Sphere of Influence as defined by the Alameda County Local Agency Formation Commission (LAFCO), including all land within the Hayward City limits and adjacent unincorporated county land, including Garin Regional Park, open space areas east of the City, portions of San Lorenzo and Castro Valley, and the communities of Hayward Acres, Cherryland, and Fairview.

2.2 Hayward 2040 General Plan EIR

The City Council certified the EIR for the General Plan (2014 General Plan EIR) in July 2014. The 2014 General Plan EIR evaluated potential environmental consequences associated with the General Plan, focusing in depth on the following environmental issue areas:

- | | |
|--|----------------------------------|
| ▪ Aesthetics and Visual Resources | ▪ Hydrology and Water Quality |
| ▪ Agricultural and Forestry Resources | ▪ Land Use and Planning |
| ▪ Air Quality | ▪ Noise |
| ▪ Biological Resources | ▪ Population and Housing |
| ▪ Geology, Soils, and Minerals | ▪ Public Services |
| ▪ Global Climate Change and Greenhouse Gas Emissions | ▪ Transportation and Circulation |
| ▪ Hazards and Hazardous Materials | ▪ Utilities and Service Systems |
| ▪ Historic and Cultural Resources | |

The 2014 General Plan EIR found that the General Plan's goals, policies, and programs as well as required mitigation measures would reduce most of the potential environmental impacts that would occur due to buildout of the General Plan. However, impacts related to air quality, noise, and transportation and circulation were determined to be significant and unavoidable. Accordingly, the City adopted a Statement of Overriding Considerations for these significant and unavoidable impacts as required under *CEQA Guidelines* Section 15093.

The 2014 General Plan EIR studied the impacts of an estimated buildout of 67,112 dwelling units and a population of 208,047 within Hayward City limits and an estimated buildout of 85,794 dwelling units and a population of 265,962 within the Hayward Planning Area¹.

The General Plan Draft EIR and Final EIR are available online at: <https://www.hayward-ca.gov/your-government/documents/planning-documents> and are incorporated herein by reference.

¹ Assuming an average household size of 3.1 persons per household

3 Project Description

The project consists of a comprehensive update to the City of Hayward Housing Element (herein referred to as “Housing Element Update”), a comprehensive update to the City of Hayward Hazards Element (herein referred to as “Hazards Element Update”), and the addition of the City of Hayward Environmental Justice Element (herein referred to as “Environmental Justice Element”), which are altogether referred to as the “project.”

3.1 Housing Element Update

3.1.1 Project Description

State law requires that housing elements be updated every eight years (California Government Code Sections 65580 to 65589.8). The Housing Element Update identifies residential sites adequate to accommodate a variety of housing types for all income levels and needs of special population groups, defined under State law (California Government Code Section 65583). It analyzes governmental constraints to housing maintenance, improvement, and development; addresses conservation and improvement of the condition of existing affordable housing stock; and outlines policies that promote housing opportunities for all persons. The City of Hayward Housing Element is being updated as part of the State’s 6th cycle Regional Housing Needs Assessment (RHNA) allocation. For Hayward, the planning period runs from January 31, 2023 through January 31, 2031.

The project would bring the City’s Housing Element into compliance with State legislation passed since the publication of the previous (5th Cycle) Housing Element (adopted in December 2014). The Housing Element Update includes a housing sites inventory (Appendix C of the Housing Element) that demonstrates how the city plans to meet its 6th cycle RHNA allocation. However, no formal land use changes or physical development are proposed at the time of adoption of the Housing Element.

The Housing Element Update will not, in and of itself, result in environmental impacts as it does not propose to develop any projects. Rather, it establishes objectives and policies designed to guide future development as the City works to achieve State-mandated housing goals. Specifically, the City’s Regional Housing Needs Allocation (RHNA) as shown in the table below.

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Dwelling Units	547	528	617	817	2,115	4,624

Future development will require project-specific developmental review as potential impacts are location-specific and cannot be assessed in a meaningful way until a project site and development proposal are identified. When a specific development proposal is considered for approval, that project would be subject to adopted development guidelines/standards and it must comply with the 2040 General Plan policies and actions listed as mitigation measures in the certified 2014 General Plan EIR (in accordance with CEQA Guidelines Section 15168[c][3]). If a subsequent activity (in this case a specific development proposal) would have effects not identified in the program EIR (the 2014 General Plan EIR and this Addendum), the lead agency must prepare additional CEQA documentation prior to project approval.

This Addendum, therefore, analyzes the changes and potential impacts related to the adoption of Housing Element Update. No physical development or land use changes are addressed or evaluated. The City would analyze land use changes separately to demonstrate compliance with the requirements of CEQA, if necessary. This Addendum is intended to demonstrate consistency of the Housing Element Update with the existing 2014 General Plan EIR to comply with the requirements of CEQA. In particular, and in line with Public Resources Code Section 21083.3, this Addendum Evaluation assesses whether the updated Housing Element, as a policy and programs document, includes impacts not addressed or analyzed as significant effects in the 2014 General Plan EIR.

3.1.2 Project Context

The purpose of the Housing Element is to achieve an adequate supply of decent, safe, and affordable housing for Hayward's existing and future workforce, residents, and special needs populations. Housing Element law is designed to ensure that low-income families are not excluded from opportunities in all communities and to promote economic and environmental sustainability throughout the region. The Housing Element strives to conserve the city's existing housing stock, while affirmatively furthering fair housing and providing opportunities for new housing for all economic segments of the community.

State Housing Element law requires that local jurisdictions describe and analyze the housing needs of their community, the barriers or constraints to providing that housing, and actions proposed to address these concerns over an eight-year period. In addition, Housing Element law requires each city and county to accommodate its "fair share" of projected housing need over the Housing Element planning period. Cities and counties must demonstrate that adequate sites are available to accommodate this need, and that the jurisdiction allows for development of a variety of housing types. This housing need requirement is known as the RHNA and apportions to each jurisdiction its portion of the Bay Area's projected need.

To make adequate provision for the housing needs of all economic segments of the community, the Housing Element establishes goals, policies, and programs to:

- Conserve and improve the condition of the existing affordable housing stock;
- Assist in the development of housing affordable to low and moderate income households;
- Identify adequate sites to encourage the development of a variety of types of housing for all income levels;
- Address and, where appropriate and legally possible, affirmatively further fair housing and remove governmental constraints to the maintenance, improvement, and development of housing;
- Promote equal housing opportunities for all persons; and
- Provide for the special housing needs of seniors, persons with disabilities, large families with children, single female-headed households, and the homeless.

The goals and policies of the Housing Element are closely related to several other elements of the General Plan, including the Land Use and Community Character Element and the Community Health and Quality of Life Element.

3.2 Hazards Element Update

3.2.1 Project Description

The Hazards Element (also referred to as a Safety Element in State Law) is one of seven required elements of the General Plan and specifically addresses natural hazards and environmental risks to the community. Hayward's Hazards Element is included in the General Plan.

California Government Code Section 65302(g) requires all local jurisdictions to update their Safety Element upon each revision of the Housing Element or Local Hazard Mitigation Plan. Hayward's Hazards Element Update will occur shortly after the Housing Element Update. The State of California specifies types of information that must be updated, notably, climate change resiliency and adaptation mitigation. Other topics relating to natural hazards, which are already addressed in the Hazards Element but may be updated as necessary to reflect new information, include: fire risk, seismic risk, flood risk, site contamination, and the City's ability to respond to natural and manmade disasters.

This Addendum, therefore, analyzes the changes and potential impacts related to the adoption of Hazards Element Update. No physical development or land use changes are addressed or evaluated. The City would analyze land use changes separately to demonstrate compliance with the requirements of CEQA, if necessary. This Addendum is intended to demonstrate consistency of the Hazards Element Update with the existing 2014 General Plan EIR to comply with the requirements of CEQA. In particular, and in line with Public Resources Code Section 21083.3, this Addendum Evaluation assesses whether the Hazards Element Update, as a policy and programs document, includes impacts not addressed or analyzed as significant effects in the 2014 General Plan EIR.

3.2.2 Project Context

The city of Hayward is located in a region that is prone to a variety of natural disasters. The city's geologic setting was formed by regional and local earthquake faults, many of which are still active and can generate devastating damage to buildings and infrastructure in the event of an earthquake. The city's climate can also create hazardous conditions. Severe winter and spring storms can cause landslides in hillside areas and flooding along stream corridors and low-lying areas near the San Francisco Bay. Dry weather during spring and summer months can create hazardous conditions related to wildland fires, which when combined with strong Diablo winds, pose a significant risk to hillside neighborhoods. Climate change is projected to increase the frequency and severity of climate hazards, including increased flood, landslide, drought, extreme heat, and wildfire risks. In addition to natural hazards, Hayward also has a number of transportation facilities and industrial businesses that create risks for man-made hazards, such as aircraft accidents, hazardous material spills, and exposure to excessive noise.

While it is impossible to completely avoid natural and man-made hazards, the Hazards Element establishes goals and policies to protect life, encourage education and preparation for natural hazard events and minimize property damage during future disasters and emergencies. The goals and policies address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise.

Several other Elements of the General Plan provide supporting goals and policies that will help the Hayward community prepare for and respond to hazards, including the Community Safety Element,

the Public Facilities Element, the new Environmental Justice Element, and the Community Health and Quality of Life Element.

3.3 New Environmental Justice Element

3.3.1 Project Description

Environmental Justice is a concept focused on addressing the systemic causes of the unequal environmental burden placed on disadvantaged communities, especially minority and low-income populations. Efforts towards environmental justice have aimed to improve the status of disadvantaged communities through effective planning and policy decisions. In California, the Planning for Healthy Communities Act of 2016 (Senate Bill 1000), was established to address the role of environmental justice in local and regional planning practice. Formally, California law defines “environmental justice” as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (Government Code Section 65040.12[e]). Through Senate Bill 1000, jurisdictions are now required to identify environmental justice communities (called “disadvantaged communities”) within their planning area and incorporate environmental justice into their general plans.

This Addendum, therefore, analyzes the changes and potential impacts related to the adoption of a new Environmental Justice Element. No physical development or land use changes are addressed or evaluated. The City would analyze land use changes separately to demonstrate compliance with the requirements of CEQA, if necessary. This Addendum is intended to demonstrate consistency of the Environmental Justice Element with the 2014 General Plan EIR to comply with the requirements of CEQA. In particular, and in line with Public Resources Code Section 21083.3, this Addendum Evaluation assesses whether the new Environmental Justice Element, as a policy and programs document, includes impacts not addressed or analyzed as significant effects in the 2014 General Plan EIR.

3.3.2 Project Context

Historically, negative environmental impacts have been shown to disproportionately affect marginalized populations, including racial, ethnic, and socioeconomic minorities. As a result of these environmental impacts, marginalized populations tend to have poorer health and safety outcomes relative to the broader population. The various environmental impacts that tend to affect marginalized populations include but are not limited to increased exposure to pollutants, increased proximity to contaminated facilities/structures, and decreased access to public resources relative to other communities. These environmental impacts are directly linked to one another and thus can result in a compounded environmental burden on certain populations.

As described in the new Environmental Justice Element, none of the 37 census tracts within Hayward meet the state definition of a “disadvantaged community”; however, there are neighborhoods that have measurable impacts in various areas, referred to as population and/or pollution burdens, which can be addressed through this new element.

The City of Hayward is committed to promoting environmental justice through the effective implementation of this Environmental Justice Element. The Environmental Justice Element contains a comprehensive set of goals and policies aimed at increasing the role and influence of historically marginalized populations within their communities and reducing their exposure to environmental

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and health hazards. The goals and policies in this plan are centered around six focus areas. These focus areas are areas identified by the California Government Code Section 65302(h) as policy topics necessary for reducing the unique or compounded health risks in disadvantaged communities. The six focus areas are as follows:

- Pollution Exposure and Air Quality
- Public Facilities
- Safe and Sanitary Homes
- Physical Activity and Public Health
- Food Access
- Civic and Community Engagement

The Environmental Justice Element is divided into three sections. The first section is a summary of the public participation opportunities included as part of the Element development process. The second section presents the methodology used to identify environmental justice communities in Hayward. The third section outlines the environmental justice goals and policies and provides a summary of the baseline environmental conditions associated with each goal. The goals, policies, and programs describe how the City of Hayward will incorporate environmental justice into decision making and support positive outcomes for affected residents.

3.4 Discretionary Action

Implementation of the project would require the following discretionary actions by the City of Hayward Planning Commission/City Council:

- Approval of an Addendum to the 2014 General Plan EIR
- Adoption of a General Plan Amendment to incorporate the 2023-2031 Housing Element Update
- Adoption of a General Plan Amendment to incorporate the Hazards Element Update
- Adoption of a General Plan Amendment to incorporate the new Environmental Justice Element

3.5 Prior Environmental Document

City of Hayward, General Plan Update Environmental Impact Report (General Plan Update EIR). State Clearinghouse Number 2013082015, certified July 2014. This document can be viewed on the City of Hayward Planning Documents Website: <https://www.hayward-ca.gov/your-government/documents/planning-documents>

3.6 Relationship of the Proposed Project to Previous EIR Analysis

The City of Hayward adopted the 2040 General Plan on July 1, 2014. It includes goals and policies that convey the City's long-term vision and guide local decision making to reach that vision. The 2014 General Plan EIR assessed impacts from the implementation of the General Plan and was certified in 2014 when then City Council approved the General Plan. Development under the project would be required to abide by all applicable goals and policies in the adopted General Plan. The proposed Housing Element Update, Hazards Element Update, and new Environmental Justice

Element do not include changes to the policies or land use designations of the General Plan or any other amendments to the General Plan; they would also not involve or facilitate development in areas not assumed for development in the certified 2014 General Plan EIR. The location and general footprint of development under the project would be the same as for the citywide buildout analyzed in the 2014 General Plan EIR. The proposed project would be consistent with the 2040 General Plan goals and policies to that encourage the development of affordable housing.

4 Decision Not to Prepare a Subsequent Environmental Impact Report

As outlined in *CEQA Guidelines* Section 15164, a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in *CEQA Guidelines* Section 15162 calling for preparation of a subsequent EIR have occurred. The conditions described in Section 15162 include the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The impact analysis that follows demonstrates that the proposed Housing Element Update, Hazards Element Update, and new Environmental Justice Element would not result in new significant environmental impacts beyond those that have already been identified and characterized in the 2014 General Plan EIR, and that there are no substantial changes in the project or circumstances or substantially important new information that would cause the project to have significant new impacts or substantially increase previously identified significant impacts. None of the conditions described above in *CEQA Guidelines* Section 15162 that would call for preparation of a subsequent EIR have occurred or would occur as a result of the proposed project. Therefore, this addendum is the appropriate level of environmental documentation under CEQA. This addendum will be considered by the City's decision-making body in its consideration of the proposed project.

5 Environmental Impacts

This addendum evaluates potential environmental impacts that could result from the proposed project in the context of/compared to the growth projections and impacts studied in the 2014 General Plan EIR. The existing environmental conditions in and around the project area are substantially the same under present conditions as described in the 2014 General Plan EIR except where conditions have changed in accordance with the assumptions of the 2014 General Plan and related EIR. The analysis below provides updates where necessary to characterize potential impacts.

Appendix G of the *CEQA Guidelines* provides a checklist of environmental issue areas suggested for assessment in CEQA analyses. Since preparation of the 2014 General Plan EIR, revisions to the *CEQA Guidelines* have occurred to include environmental issue areas pertaining to energy, vehicle miles traveled (VMT), tribal cultural resources, and wildfire. To provide a thorough and conservative analysis of potential impacts associated with the proposed project, this addendum addresses the 20 environmental issue areas suggested by Appendix G of the 2022 *CEQA Guidelines*, listed below.

- Aesthetics
- Agriculture and Forest Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Mineral Resources
- Noise
- Population and Housing
- Public Services
- Recreation
- Transportation
- Tribal Cultural Resources
- Utilities and Service Systems
- Wildfire

Potential environmental impacts of the proposed project are analyzed to determine whether they are consistent with the impact analysis provided in the 2014 General Plan EIR, and whether additional mitigation measures are required to minimize or avoid further potential impacts. Where the following analysis identifies impacts, discussion of previously identified mitigation measures from the 2014 General Plan EIR and existing applicable policies and regulations are discussed, as relevant, with respect to mitigating potential impacts from the proposed project.

5.1 Aesthetics

Impacts Identified in the 2014 General Plan EIR

Impacts related to aesthetics were analyzed on pages 5-1 through 5-34 of the 2014 General Plan EIR. The 2014 General Plan EIR determined that cumulative mitigating benefits of the General Plan programs and policies would result in a less than significant impacts to scenic vistas; scenic resources; visual character or quality; and light or glare that would affect day or nighttime views. Therefore, impacts regarding aesthetics were determined to be less than significant, and no mitigation was required.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR. The Housing Element Update does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to scenic vistas, scenic resources, or visual character, and will not create new sources of substantial light or glare which adversely affects views. Future development would be required to undergo site-specific environmental review, and be subject to adopted development guidelines, including standards that govern visual quality and community design.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to scenic vistas, scenic resources, or visual character, and will not create new sources of substantial light or glare which adversely affects views.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to scenic vistas, scenic resources, or visual character, and will not create new sources of substantial light or glare which adversely affects views.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to aesthetics than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. Existing General Plan programs and policies that address aesthetics would continue to apply to development under the proposed project. No new mitigation measures are necessary.

5.2 Agriculture and Forestry Resources

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses agricultural impacts in the agricultural and forestry resources section, on pages 6-1 through 6-6. The 2014 General Plan EIR determined that the cumulative mitigating benefits of the General Plan programs and policies would result in a less than significant impacts to agriculture and forestry resources and no mitigation was required.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to Important Farmland, agriculturally-zoned land, Williamson Act-contracted lands, forest land, or timberland. All future development would be required to undergo site-specific environmental review and will be subject to adopted development guidelines and would be required to comply with the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to Important Farmland, agriculturally-zoned land, Williamson Act-contracted lands, forest land, or timberland.

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Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to Important Farmland, agriculturally-zoned land, Williamson Act-contracted lands, forest land, or timberland.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to agriculture and forest resources than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.3 Air Quality

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses air quality impacts on pages 7-1 through 7-40 and finds that odor-related impacts would be less than significant. Impacts associated with short-term construction, long-term operational emissions, and health risk exposure to toxic air contaminants (TAC) and particulate matter 2.5 (PM_{2.5}) would be significant and unavoidable, even after application of all feasible mitigation. The 2014 General Plan EIR includes the incorporation of specific source-reduction and receptor-oriented risk reduction measures and best management practices (BMPs), although the overall effectiveness of these measures in reducing communitywide health risk could not be quantified. These impacts would, therefore, remain significant and unavoidable. Because the General Plan would not be fully consistent with the primary goals of the Bay Area 2010 Clean Air Plan with the elevated emissions projected, the 2014 General Plan EIR found that this impact would be significant and unavoidable.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to air quality. Potential air quality-related impacts cannot be assessed in a meaningful way without a project-specific analysis covering the location and size of proposed developments, which includes construction air quality emissions, project operational emissions and potential VMT. Future, unknown short-term air quality impacts resulting from construction of the identified sites and other unknown future development sites, such as dust generated by clearing and grading activities, exhaust from emission from gas- and diesel-powered construction equipment, and vehicular emissions associated with the commuting of construction workers will be subject to Bay Area Air Quality Management District (BAAQMD) rules and protocols. Similarly, operational impacts would be addressed by provisions in the General Plan, the Hayward Municipal Code, and other regulations and standards that govern air quality in Hayward. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and to comply with all relevant regulations related to air quality at the time of construction.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to air quality.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to air quality.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant

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impacts or substantially more severe significant impacts with respect to air quality than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. Local, State, BAAQMD, and federal regulations as well as General Plan programs and policies would continue to apply to development under the proposed project, and impacts would be substantially similar to those analyzed in the 2014 General Plan EIR. No new mitigation measures are necessary.

5.4 Biological Resources

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses biological resources impacts on pages 8-1 through 8-32 and finds impacts to be less than significant. The 2014 General Plan EIR determined that the cumulative mitigating benefits of the General Plan programs and policies would result in a less than significant impact to biological resources and no mitigation was required.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include specific projects involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to biological resources and conservation or habitat management plans. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and to comply with applicable requirements and regulations regarding biological resources and the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to biological resources and conservation or habitat management plans.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to biological resources and conservation or habitat management plans.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to biological resources than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.5 Cultural Resources

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes cultural resources on pages 12-1 through 12-13 and finds that impacts to sites of local importance, overall historic setting, and previously undiscovered archaeological resources would be less than significant and impacts to paleontological resources would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include specific projects involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to cultural resources. All future development consistent with the Housing Element Update would undergo site-specific environmental review and be required to comply with applicable policies and regulations regarding historic, archaeological, and paleontological resources including the policies and actions from the Hayward General Plan.

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Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to historic, archaeological, and paleontological resources.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to historic, archaeological, and paleontological resources.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to cultural resources than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur and no new mitigation measures are necessary.

5.6 Energy

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes impacts on energy on pages 21-9 through 21-24. This discussion addresses the issues of inefficient, wasteful, or unnecessary consumption of energy. The 2014 General Plan EIR identifies impacts related to energy consumption as less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not result in impacts to energy resources or adopted plans for renewable or efficient energy use. Although future projects would involve the consumption of non-renewable energy resources such as electricity, natural gas, propane, gasoline, and diesel, they would undergo site and project specific environmental review and be required to comply with State and local regulations pertaining to energy, such as Title 20, Energy Building Regulation, Title 24, Energy Conservation Standards, of the California Code of Regulations (CCR), and Ordinance No. 20-05 and the City's Reach Code.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to energy resources or adopted plans for renewable or efficient energy use.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to energy resources or adopted plans for renewable or efficient energy use.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to energy than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.7 Geology and Soils**Impacts Identified in the 2014 General Plan EIR**

The 2014 General Plan EIR discusses geology and soils impacts on pages 9-1 through 9-18 and concludes that impacts related to geology and soils would be less than significant.

Impacts of the Proposed Project*Housing Element Update*

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to geological resources. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with relevant policies and regulations regarding geology and soils including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to geological resources.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The

Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to geological resources.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to geology and soils than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.8 Greenhouse Gas Emissions

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes greenhouse gas (GHG) emissions on pages 10-1 through 10-42 and concludes that impacts would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

Potential GHG emission impacts cannot be assessed in a meaningful way until a project-specific analysis that takes into account factors including the size of the development, construction GHG emissions, project operational emissions, and potential VMT is conducted. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to GHGs or adopted plans for the purpose of reducing GHGs. Future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and adhere to applicable climate and GHG emissions policies and regulations including consistency with SB 32, AB 32, SB 97, and SB 375. Future development would also be required to comply with the policies and actions from the Hayward General Plan and the City's Reach Code among other regulations intended to reduce GHGs.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic

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hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to GHGs or adopted plans for the purpose of reducing GHGs.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to GHGs or adopted plans for the purpose of reducing GHGs.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to GHG emissions than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new or revised mitigation measures are necessary.

5.9 Hazards and Hazardous Materials

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses hazards and hazardous materials impacts on pages 11-1 through 11-24 and finds that impacts related to hazards and hazardous materials in the City would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously

for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to hazards or hazardous materials. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable policies and guidelines regarding hazards and hazardous materials including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to hazards or hazardous materials.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to hazards or hazardous materials.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to hazards and hazardous materials than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.10 Hydrology and Water Quality

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses hydrology and water quality impacts on pages 13-1 through 13-40. The EIR found that potential impacts to hydrology and water quality would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to hydrology or water quality. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to hydrology and water quality including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to hydrology or water quality.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to hydrology or water quality.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to hydrology and water quality than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.11 Land Use and Planning

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR addresses land use and planning on pages 14-1 through 14-42. Impacts to land use and planning were determined to be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support development of a variety of housing types at a range of income levels in Hayward. The Housing Element Update does not propose any land use or zoning changes. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts due to land use or planning. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to land use and planning.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in

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Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to land use or planning.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to land use or planning.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to land use and planning than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.12 Mineral Resources

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes mineral resources on pages 9-1 through 9-18 and finds that impacts would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts due to mineral resources. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to mineral resources.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to mineral resources.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to mineral resources.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to mineral resources than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.13 Noise

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes noise on pages 15-1 through 15-32. Impacts due to construction-related ground vibration, railroad generated noise, and noise generated from stationary sources were found to be less than significant. Impacts related to short-term and long-term construction-generated noise, and traffic-related noise, were found to be significant and unavoidable even with General Plan policies that would reduce noise from these sources.

Impacts of the Proposed Project*Housing Element Update*

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in noise-related impacts. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with all relevant policies and guidelines regarding noise or vibration including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in noise or vibration-related impacts.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in noise or vibration-related impacts.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant

impacts or substantially more severe significant impacts with respect to noise than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.14 Population and Housing

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR discusses population and housing on pages 16-1 through 16-7. The 2014 General Plan EIR accounts for a population of 265,962 people at full buildout of the Hayward Planning Area and finds that impacts would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Further, the Housing Element Update does not propose any land use or zoning changes so the land use and population assumptions used in the 2014 General Plan EIR as well as the related conclusions are applicable to the Housing Element Update. All future development would be required to undergo site-specific environmental review and comply with applicable guidelines and regulations including policies and actions outlined in the 2014 General Plan EIR.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use that would impact population, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to population and housing.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use or otherwise impact population. Policies within the Environmental Justice Element are meant to aid

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areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to population and housing.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to population and housing than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.15 Public Services

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes public services on pages 17-1 through 17-42 and concludes that impacts regarding public services would be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to public services. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to public services including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus,

the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to public services.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to public services.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to public services than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.16 Recreation

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes recreation on pages 17-1 through 17-42. Impacts to recreation were determined to be less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in

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impacts to recreation facilities. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to recreation including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to recreational facilities.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to recreational facilities.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to recreation than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.17 Transportation

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR evaluates transportation impacts on pages 18-1 through 18-44, using level-of-service (LOS) as the methodology and to assess significance. The 2014 General Plan EIR

determined that additional traffic from the General Plan would result in a considerable contribution to significant transportation impacts. Impacts to Congestion Management Program and Metropolitan Transportation System roadways were determined to be less than significant. Impacts to air traffic, design feature hazards, emergency access, and alternative modes of transportation were determined to be less than significant. Since certification of the EIR and pursuant to Senate Bill (SB) 743, the City of Hayward has adopted VMT as the primary metric to analyze transportation impacts instead of LOS.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to transportation or VMT. All future development consistent with the Housing Element Update would be required to undergo site-specific environmental review and comply with applicable regulations and requirements related to transportation including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to transportation.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

City of Hayward

Housing Element Update, Hazards Element Update and New Environmental Justice Element

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to transportation.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more significant impacts with respect to transportation than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.18 Tribal Cultural Resources

Impacts Identified in the 2014 General Plan EIR

Tribal Cultural Resources was added to the 2016 *CEQA Guidelines* as a separate environmental issue area. Thus, the 2014 General Plan EIR does not include a chapter or section dedicated to analysis of impacts to tribal cultural resources. However, it does analyze general impacts to historical and cultural resources (including archeological resources that may originate from Native American tribes) in Section 12, *Historical and Cultural Resources*, and concludes that impacts to historic and cultural resources would be less than significant. Implementation of existing regulations and General Plan policies LU-8.3 (Historic Preservation), LU-8.4 (Survey and Historic Reports), and LU-8.13 (Planning Study Considerations) would ensure that archaeological sites and resources, including undocumented human remains and those resources specifically of significance to Native Americans, would be protected, properly documented, and integral to the City's planning process.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to tribal cultural resources. All future development consistent with the Housing Element Update must undergo site-specific environmental review and comply with all applicable regulations regarding tribal cultural resources including SB 18, AB 52, and the policies and actions from the Hayward General Plan to minimize impacts to tribal and cultural resources.

On May 10, 2022, the City sent SB 18 consultation letters to the Tribal Band of Mission San Juan Bautista, the Carmel Tribe, the Indian Canyon Mutsun Band of Costanoan, the Muwekma Ohlone Indian Tribe of the San Francisco Bay Area, the North Valley Yokuts Tribe, the Ohlone Indian Tribe, the Wuksache Indian Tribe/Eshom Valley Band, the Confederated Villages of Lisjan, and Tamien

Nation. At the Tribe's request, the City met with the Confederated Villages of Lisjan on August 3, 2022 to discuss opportunity sites and planned development throughout the City. No additional requests from the Confederated Villages of Lisjan were received after the meeting and consultation was concluded on October 20, 2022. No other tribe requested consultation. No changes were made as a result of consultation efforts.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to tribal cultural resources.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to tribal cultural resources.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to tribal cultural resources than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.19 Utilities and Service Systems

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes impacts on utilities and service systems on pages 19-1 through 19-34. This discussion addresses the issues of water supply and delivery, wastewater collection and treatment, and solid waste disposal, recycling, and composting. The 2014 General Plan EIR identifies impacts to utilities and service systems as less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to utilities and service systems. All future development consistent with the Housing Element Update would undergo site-specific environmental review and be subject to adopted development guidelines and other regulatory requirements concerning water, wastewater, stormwater, solid waste, and other infrastructure; water supply; and wastewater treatment systems including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to utilities and service systems.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use which would impact utilities. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the

Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to utilities and service systems.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect to utilities and service systems than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

5.20 Wildfire

Impacts Identified in the 2014 General Plan EIR

The 2014 General Plan EIR analyzes impacts related to wildfire on pages 11-1 through 11-24. The 2014 General Plan EIR identifies impacts related to wildfire as less than significant.

Impacts of the Proposed Project

Housing Element Update

The Housing Element Update is a policy document consistent with the General Plan. The Housing Element Update includes housing sites located throughout the City that were evaluated previously for potential environmental impacts in the 2014 General Plan EIR, and does not propose changes to zoning to achieve increased buildout beyond the previous General Plan estimates.

The Housing Element Update, in and of itself, does not include a specific project involving a new housing development, but puts forth goals and policies that support housing efforts in Hayward. Because it is a policy document, the Housing Element Update would not, in and of itself, result in impacts to wildfire. All future development consistent with the Housing Element Update would undergo site-specific environmental review and be required to comply with applicable regulations and requirements related to wildfire including the policies and actions from the Hayward General Plan.

Hazards Element Update

The Hazards Element Update is a policy document consistent with the General Plan. The goals and policies in the Hazards Element Update address regional hazards mitigation, seismic and geologic hazards, climate change, flood hazards, rising sea levels, wildland fires, hazardous materials, airport hazards, and noise. Policies within the Hazards Element Update add to the City's safety measures, protocols, and practices that may lead to a decrease in adverse physical impacts to the City. Thus, the Hazards Element Update is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

City of Hayward

Housing Element Update, Hazards Element Update and New Environmental Justice Element

The Hazards Element Update, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support safety efforts in Hayward. Because it is a policy document, the Hazards Element Update would not, in and of itself, result in impacts to wildfire.

Environmental Justice Element

The Environmental Justice Element is a policy document consistent with the General Plan. The goals and policies in the Environmental Justice Element address pollution exposure, public facilities and accessibility, food access, sanitary and safe homes, and disadvantaged communities. The Environmental Justice Update is a policy document that would not propose any changes to land use. Policies within the Environmental Justice Element are meant to aid areas of the city that are disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation. Thus, the Environmental Justice Element is consistent with the findings in the 2014 General Plan EIR and would not lead to significant impacts.

The Environmental Justice Element, in and of itself, does not include a specific project involving development or changes in land use, but puts forth goals and policies that support health and equity efforts in Hayward. Because it is a policy document, the Environmental Justice Element would not, in and of itself, result in impacts to wildfire.

Conclusion

No substantial changes have occurred that require major revisions to the 2014 General Plan EIR. There is no new information indicating that the proposed project would have new significant impacts or substantially more severe significant impacts with respect wildfire than were identified in the 2014 General Plan EIR. None of the conditions listed in *CEQA Guidelines* Section 15162 requiring preparation of a subsequent EIR would occur. No new mitigation measures are necessary.

6 Conclusion

The City of Hayward, acting as the lead agency, determined that an addendum is the appropriate environmental document under CEQA because the proposed project would not require revisions to the certified 2014 General Plan EIR due to the involvement of new significant environmental effects or substantial increases in the severity of significant effects previously identified in the 2014 General Plan EIR.

There are no changed circumstances or new information that meets the standards for requiring further environmental review under *CEQA Guidelines* Section 15162. Thus, these circumstances and information would not result in new or more severe impacts beyond what were addressed in the 2014 General Plan EIR and would not meet any other standards under *CEQA Guidelines* Section 15162(a)(3). No additional analysis is required based on the discussions throughout this addendum. The proposed Housing Element Update, Hazards Element Update, and new Environmental Justice Element would not involve development in areas not assumed for development in the 2014 General Plan EIR, nor would it result in population growth and density beyond what was analyzed in the 2014 General Plan EIR. The project would not result in significant or substantially more severe impacts that were not discussed in the 2014 General Plan EIR. Also, there are no previously identified significant effects which, as a result of substantial new information that was not known at the time of the previous environmental review, would be substantially more severe than discussed in the 2014 General Plan EIR. Accordingly, no additional CEQA review is required.

CEQA Guidelines Section 15164 states that “[t]he lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.” An addendum is therefore appropriate because, as explained above, none of the conditions calling for preparation of a subsequent EIR have occurred.

7 References

7.1 References

Hayward, City of. 2014. General Plan Update Environmental Impact Report. <https://www.hayward-ca.gov/your-government/documents/planning-documents> (accessed November 2022).

7.2 List of Preparers

Rincon Consultants, Inc. prepared this addendum under contract to the City of Hayward. Persons involved in data gathering, analysis, project management, and quality control include the following:

Rincon Consultants, Inc.

Darcy Kremin, AICP CEP, Director

Aileen Mahoney, Project Manager

Antonia Davetas, Environmental Planner

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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November 28, 2022

Leigha Schmidt, Principal Planner
Development Services Department
City of Hayward
777 B Street, 1st Floor
Hayward, CA 94541

Dear Leigha Schmidt,

RE: City of Hayward's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Hayward (City) draft housing element update received for review on August 30, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD considered comments from YIMBY Law and Greenbelt Alliance, East Bay for Everyone, TransForm and Campaign for Fair Housing Elements and YIMBY Law, pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory

Leigha Schmidt, Principal Planner
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deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones pursuant to Government Code section 65583, subdivision (c)(1)(A) or Government Code section 65583.2, subdivision (c) are completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Claire Sullivan-Halpern, of our staff, at Claire.Sullivan-Halpern@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF HAYWARD

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <https://www.hcd.ca.gov/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs Resources and Constraints

1. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income Households (ELI): The element includes some basic information regarding ELI households such as the number of households. However, given the unique and disproportionate needs of ELI households, the element must include analysis to better formulate policies and programs. For example, the element should analyze tenure, cost burden and other household characteristics, compare those characteristics to other income and special needs groups then examine the availability of resources to determine gaps in housing needs. Finally, the element should examine the success of past efforts and formulate an appropriate programmatic response given the magnitude of the need. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.shtml>.

2. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Fair Housing Enforcement and Capacity: The element should discuss how the City complies with existing fair housing laws and regulations, any past fair housing lawsuits, consent decrees or other related legal matters.

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may

utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

Affirmatively Furthering Fair Housing (AFFH) and Sites Inventory: The element includes some data regarding the regional housing need allocation (RHNA) by income group and areas of the City. However, the element should analyze that data, including relationships with other components of the assessment of fair housing (e.g., segregation and integration, disproportionate housing needs) to support conclusions and guide an appropriate programmatic response. Specifically, utilizing Table F-2, the element should analyze how the RHNA by income group impacts the number of existing households and socio-economic characteristics. For example, the element could examine the absence of the lower-income RHNA in some areas of the City and concentration in other areas such as the Mission Boulevard Area relative to higher concentrations of lower-income households. Then, the element could formulate appropriate response such as place-based strategies toward community revitalization and improvement of housing mobility.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends. Other relevant factors should complement the state and federal data and complete an analysis.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element must list and prioritize contributing factors to fair housing issues. Contributing factors should result in strategic approaches to inform and connect analysis, goals and actions to address and mitigate fair housing issues. For more information, please see HCD's Guidance Memo at <https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress in Meeting the RHNA: The City's RHNA may be reduced by the number of new units built, approved, or pending since June 30, 2022; however, the element must demonstrate their availability in the planning period. Availability should address the status, anticipated completion, any barriers to development and other relevant factors such as build out horizons, phasing, and dropout rates to demonstrate the availability or likelihood of development in the planning period.

Suitability of Nonvacant Sites: The element must include a description of identified sites and their existing uses and include an analysis demonstrating the potential for additional development on nonvacant sites. The element should analyze the extent that existing uses may impede additional residential development. The element explains that various factors were utilized to identify sites with potential for redevelopment such as improvement to land value ratio and also discusses some recent trends. However, the

element should relate recent trends to the various factors to better support their validity. For example, the element could list the prior improvement to land value and other factors for pending and approved projects. In addition, the element mentions the factors but does not explain the threshold or reflect the value of the factor on identified sites. For example, the element mentions the improvement to land value, but not which ratio was utilized and does not list the value for each of the sites.

Publicly-Owned Sites: The element must include additional discussion on each of the publicly-owned sites identified to accommodate the RHNA, including the BART sites. Specifically, the analysis should address general plan designations, allowable densities, support for residential capacity assumptions, existing uses, any known conditions that preclude or could promote development in the planning period, status, and potential schedule for development. Based on this analysis, the element should add or modify programs. Programs should include a schedule of actions to facilitate development in the planning period in stride with assumptions in the inventory such as numerical objectives, compliance with the Surplus Land Act, outreach with developers or property owners, removing barriers to development, issuing requests for proposals, incentives, fee waivers, priority processing and financial assistance.

Small and Large Sites: Sites smaller than a half-acre and larger than ten acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing. If the City is utilizing small or large sites, the element must include analysis and programs as appropriate to demonstrate the suitability of these sites.

Infrastructure: The element should clarify that the City has sufficient existing and planned total water and sewer capacity to accommodate the RHNA.

In addition, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. While the element explains the City will deliver the element to water and sewer providers, it should also describe whether the City has specific procedures to grant priority or add or modify programs to establish a written procedure by a date early in the planning period.

Environmental Constraints: While the element mentions various environmental conditions, it should also discuss whether those conditions impact or preclude development on identified sites. This discussion should address any other known conditions and impacts on identified sites (e.g., shape, easements, conditions, airport and other compatibility).

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: The element should clarify if by right is without discretionary action, discuss acreage such as typical parcel sizes, potential for a shelter including reuse, proximity to transportation and services and areas/sites are not in areas unfit for human habitation (discuss other allowed uses). Also, the element should list and analyze development standards and analyze whether parking requirements comply with AB139/Government Code section 65583, subdivision (a)(4)(A) or include a program to comply with this requirement.
 - *Low Barrier Navigation Centers*: The element should clarify that by right or permitted uses are permitted without discretionary action and which zones allow the uses in compliance with Government Code section 65661 or add or modify programs.
 - *Employee Housing Act*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 which requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Based on the outcomes of this analysis, the element should add or modify programs.
 - *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.
4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5)).*

Land Use Controls: The element must identify and analyze all relevant land use controls impacts independently and cumulatively for impacts on housing supply (number of units), costs, feasibility and ability to achieve maximum densities. For example, the analysis should address heights, setbacks, floor area ratios, lot coverages and parking and add specific commitment to address constraints.

Fees and Exaction: While the element includes some general discussion of fees, it should list and analyze all planning fees (e.g., general plan amendments, subdivisions, rezones, planned developments, variances, and conditional use permits (CUPs). In addition, the element should list and analyze all impact fees for cumulative impacts (e.g., fees per unit) on typical single family, multifamily and other housing development as appropriate.

Processing and Permit Procedures: The element should describe and analyze the total permit and entitlement process for a typical single-family unit and multifamily

development. The analysis should address typical processes for a development that complies with zoning, time to complete entitlements, decision-making body, number of hearing and approval findings. The analysis should address impacts on cost, timing, feasibility and approval certainty. The analysis should also specifically address the site plan review and major site plan review and list and evaluate approval findings for impacts on housing costs, supply and approval certainty.

In addition, the Planned Development process should be evaluated as a potential constraint, including whether the process is required, presence or lack of fixed development standards and any other relevant factors for impacts on housing cost, timing, feasibility and approval certainty.

Housing for Persons with Disabilities: The element describes the City currently has a procedure for requesting and granting a reasonable accommodation for persons with disabilities; however, the element should also describe and evaluate approval findings and the process for providing reasonable accommodations. The analysis should specifically address findings that resemble CUP findings (e.g., impacts on surrounding uses). The element should also include an evaluate the definition of family used in zoning and land use. In addition, the City should clarify where and how group homes of seven or more persons are permitted and, based on this analysis, add or modify programs with specific commitment to revise zoning and procedures to permit with objective standards to facilitate approval certainty similar to other residential uses.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Identified Densities and Approval Times: The element must address requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate.

6. An analysis of opportunities for energy conservation with respect to residential development. *(Gov. Code, § 65583, subd. (a)(6).)*

The element must include a description of opportunities for energy conservation, including past efforts to better formulate appropriate policies and programs. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system. For more information, see the Building Blocks.

B. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

Publicly-Owned Sites: The element identifies City-Owned and BART owned sites to accommodate the RHNA and includes minimal commitment to market and coordinate on sites. However, the element should commit to a specific schedule of actions with discrete timing to facilitate development on these public lands. Examples of actions include coordination with property owners, disposing of land or leasing land, removing barriers, assisting in site preparation, facilitating entitlements, assisting with funding, issuing permits and alternative actions if lands do not move forward with development by a specified date. HCD will send sample language under separate cover.

Program 11.1 (By-right for Prior Housing Sites): The program should commit to permit residential uses by right pursuant to Government Code section 65583.2, subdivision (i) at appropriate densities (e.g., at least up to 30 units per acre or consistent with assumptions in the inventory).

Program 24 (Tenant Relocation): As noted in the element (pp. D24 to D26), this program or another program should commit to promote various housing types, namely, group homes, single room occupancy and by right permanent supportive housing.

2. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

Programs 4.1 and 4.4 (Local, State and Federal Funds): The program should commit to how often (e.g., at least annually) funds will be used or applied for and should also commit to identify development opportunities on at least an annual basis.

4. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Findings A4 and A5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or

mitigate any identified constraints.

5. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A2, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, milestones, and geographic targeting, and, as appropriate, must address housing mobility enhancement (more choices and affordability across geographies), new housing choices and affordability in higher opportunity and income areas (e.g., missing middle housing types), place-based strategies for community preservation and revitalization and displacement protection.

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

While the element includes quantified objectives for new construction, rehabilitation, and conservation (p. H-33), it could consider increasing objectives for all income groups given the severity of existing and projected housing needs.

D. Public Participation

The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort. (Government Code 65583(c)(7))

While the element includes a summary of the public participation process, it should describe how comments were considered and incorporated into the element. For example, the element generally lists and responds to comments (Appendix A) but not how those comments were incorporated into the element.

#	Comment	HCD Response	Section	Location
A.1.1	Extremely Low-Income Households (ELI): The element includes some basic information regarding ELI households such as the number of households. However, given the unique and disproportionate needs of ELI households, the element must include analysis to better formulate policies and programs. For example, the element should analyze tenure, cost burden and other household characteristics, compare those characteristics to other income and special needs groups then examine the availability of resources to determine gaps in housing needs. Finally, the element should examine the success of past efforts and formulate an appropriate programmatic response given the magnitude of the need.	Added a discussion on Extremely Low-Income households in Hayward, including specifics pertaining to familial status, seniors, and different racial/ethnic groups.	Appendix B - Housing Needs Assessment	Section 1.6.5
A.2.1	Fair Housing Enforcement and Capacity: The element should discuss how the City complies with existing fair housing laws and regulations, any past fair housing lawsuits, consent decrees or other related legal matters.	Added a discussion on compliance with fair housing laws. As of 2011, the City does not have any past fair housing lawsuits, consent decrees or other related matters.	Appendix F - Fair Housing Assessment	Section 4.2 & Section 10.1
A.2.2	Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.	Added a discussion on local trends of individuals experiencing homeless, including disproportionate need on protected characteristics. Added a discussion of local knowledge pertaining to housing conditions.	Appendix F - Fair Housing Assessment	Section 8.4 (homelessness), Section 8.1 (housing conditions)
A.2.3	Affirmatively Furthering Fair Housing (AFFH) and Sites Inventory: The element includes some data regarding the regional housing need allocation (RHNA) by income group and areas of the City. However, the element should analyze that data, including relationships with other components of the assessment of fair housing (e.g., segregation and integration, disproportionate housing needs) to support conclusions and guide an appropriate programmatic response. Specifically, utilizing Table F-2, the element should analyze how the RHNA by income group impacts the number of existing households and socio-economic characteristics. For example, the element could examine the absence of the lower-income RHNA in some areas of the City and concentration in other areas such as the Mission Boulevard Area relative to higher concentrations of lower-income households. Then, the element could formulate appropriate response such as place-based strategies toward community revitalization and improvement of housing mobility.	Added a discussion breaking down existing households, sites, and AFFH indicators by census tract and discussed impacts to fair housing. Historic investment practices discussed in section 10.1. Added further discussion on the history of Clatrans 238 parcels, Hayward's involvement with the Government Alliance on Race and Equity and the inclusion of racial equity lens in all City-related work, including housing policies and programs.	Appendix F - Fair Housing Assessment	Section 11.8
A.2.4	Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends. Other relevant factors should complement the state and federal data and complete an analysis.	Contributing factors placed in order of priority on Table F-3.	Appendix F - Fair Housing Assessment	Section 10.1
A.2.5	Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element must list and prioritize contributing factors to fair housing issues. Contributing factors should result in strategic approaches to inform and connect analysis, goals and actions to address and mitigate fair housing issues.	Contributing factors placed in order of priority on Table F-3.	Appendix F - Fair Housing Assessment	Section 12
A.3.1	Progress in Meeting the RHNA: The City's RHNA may be reduced by the number of new units built, approved, or pending since June 30, 2022; however, the element must demonstrate their availability in the planning period. Availability should address the status, anticipated completion, any barriers to development and other relevant factors such as build out horizons, phasing, and dropout rates to demonstrate the availability or likelihood of development in the planning period.	Added discussion stating that all units in the Pipeline are anticipated to develop during the planning period. Added estimated completion dates to Table C-3. Discussed City's development history of low drop out rates and potential barriers.	Appendix C - Housing Resources	Section 1.1.2
A.3.2	Suitability of Nonvacant Sites: The element must include a description of identified sites and their existing uses and include an analysis demonstrating the potential for additional development on nonvacant sites. The element should analyze the extent that existing uses may impede additional residential development. The element explains that various factors were utilized to identify sites with potential for redevelopment such as improvement to land value ratio and also discusses some recent trends. However, the element should relate recent trends to the various factors to better support their validity. For example, the element could list the prior improvement to land value and other factors for pending and approved projects. In addition, the element mentions the factors but does not explain the threshold or reflect the value of the factor on identified sites. For example, the element mentions the improvement to land value, but not which ratio was utilized and does not list the value for each of the sites.	Specified thresholds for each site selection indicator (ILV, existing uses, FAR, ownership patterns). Added Table C-13 which shows characteristics of pipeline projects and compared to sites. Revised unit totals to reflect updates to pipeline projects and removal of one site. Added FAR values to sites inventory.	Appendix C - Housing Resources	Section 1.2.1 and 1.3.1
A.3.3	Publicly-Owned Sites: The element must include additional discussion on each of the publicly-owned sites identified to accommodate the RHNA, including the BART sites. Specifically, the analysis should address general plan designations, allowable densities, support for residential capacity assumptions, existing uses, any known conditions that preclude or could promote development in the planning period, status, and potential schedule for development. Based on this analysis, the element should add or modify programs. Programs should include a schedule of actions to facilitate development in the planning period in stride with assumptions in the inventory such as numerical objectives, compliance with the Surplus Land Act, outreach with developers or property owners, removing barriers to development, issuing requests for proposals, incentives, fee waivers, priority processing and financial assistance.	Added discussion of publicly owned sites including a schedule of actions to facilitate affordable development.	Appendix C - Housing Resources & Housing Plan	Section 1.2.1 (Appendix C) & Program H-8 (Housing Plan)
A.3.4	Small and Large Sites: Sites smaller than a half-acre and larger than ten acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower income housing. If the City is utilizing small or large sites, the element must include analysis and programs as appropriate to demonstrate the suitability of these sites.	No sites larger than 10 acres were used for lower-income units. Clarified that there are two instances of assumed lot consolidation on parcels with common ownership that would yield over 50 units.	Appendix C - Housing Resources	Section 1.2.1

A.3.5	<p>Infrastructure: The element should clarify that the City has sufficient existing and planned total water and sewer capacity to accommodate the RHNA. In addition, water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower income households. While the element explains the City will deliver the element to water and sewer providers, it should also describe whether the City has specific procedures to grant priority or add or modify programs to establish a written procedure by a date early in the planning period.</p>	<p>Updated the Resources Section to clarify that the 2020 UWMP which is updated every five years is based on General Plan land use assumptions which are the same assumptions used in the Housing Element. City of Hayward is the water and wastewater provider for 97% of the City and shows capacity except in dry years. Per State Law, the City also has a Water Shortage Contingency Plan and a robust recycled water program and water conservation plan as described in Appendix C. Added action 4.6 to prioritize lower-income developments.</p>	<p>Appendix C - Housing Resources & Housing Plan</p>	<p>Section 1.4 (Appendix C) & Program H-4, Action 4.6 (Housing Plan)</p>
A.3.6	<p>Environmental Constraints: While the element mentions various environmental conditions, it should also discuss whether those conditions impact or preclude development on identified sites. This discussion should address any other known conditions and impacts on identified sites (e.g., shape, easements, conditions, airport and other compatibility).</p>	<p>Updated Section 1.5 to identify which sites have environmental constraints and how those constraints are addressed through current City regulations.</p>	<p>Appendix C - Housing Resources</p>	<p>Section 1.5</p>
A.3.7	<p>Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD.</p>	<p>The City will comply with this.</p>		
A.3.8	<p>Emergency Shelters: The element should clarify if by right is without discretionary action, discuss acreage such as typical parcel sizes, potential for a shelter including reuse, proximity to transportation and services and areas/sites are not in areas unfit for human habitation (discuss other allowed uses). Also, the element should list and analyze development standards and analyze whether parking requirements comply with AB139/Government Code section 65583, subdivision (a)(4)(A) or include a program to comply with this requirement.</p>	<p>Updated Table D-13 to show that Emergency Shelters are permitted by right in Industrial Districts on publicly owned land and in the MB-CN and MB-NN District and with a use permit in the CG districts. Pg. 25-26 includes text clarifying that Emergency Shelter and Homeless Shelter are permitted "by right" in certain zones and provides acreage and number of parcels available for shelter use. Added Action 24.6 to modify Zoning Ordinance modifications to parking regulations.</p>	<p>Appendix D - Housing Constraints, Chapter 7 - Housing Plan</p>	<p>Page 25 and 26 (Appendix D). Program H-13 (Housing Plan)</p>
A.3.9	<p>Low Barrier Navigation Centers: The element should clarify that by right or permitted uses are permitted without discretionary action and which zones allow the uses in compliance with Government Code section 65661 or add or modify programs.</p>	<p>Added clarifying language that Low Barrier Navigation Center is synonymous with homeless and emergency shelter in the Hayward Municipal Code and that the uses are permitted by right in certain districts. Added actions to Program H-13 to include amending the Zoning Ordinance to be compliant with Assembly Bill 101 which allows such uses as a by right use in areas zoned for mixed use and non-residential zones that allow multi-family uses under specific circumstances. https://abag.ca.gov/technical-assistance/low-barrier-navigation-center-resources</p>	<p>Appendix D - Housing Constraints, Chapter 7 - Housing Plan</p>	<p>Page 25 (Appendix D), Program H-13 (Housing Plan)</p>
A.3.10	<p>Employee Housing Act: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 which requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Based on the outcomes of this analysis, the element should add or modify programs.</p>	<p>Added action to Program H-13 to evaluate the permit process for group homes of 7 or more persons and amend the HMC to set objective standards.</p>	<p>Chapter 7 - Housing Plan</p>	<p>Program H-13</p>
A.3.11	<p>Permanent Supportive Housing: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.</p>	<p>Added action to Program H-13 to amend HMC to allow Supportive Housing as a by-right use where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651.</p>	<p>Chapter 7 - Housing Plan</p>	<p>Program H-13</p>
A.4.1	<p>Land Use Controls: The element must identify and analyze all relevant land use controls impacts independently and cumulatively for impacts on housing supply (number of units), costs, feasibility and ability to achieve maximum densities. For example, the analysis should address heights, setbacks, floor area ratios, lot coverages and parking and add specific commitment to address constraints.</p>	<p>Added an analysis of development standards including density, lot standards, height limits, and open space requirements.</p>	<p>Appendix D - Housing Constraints</p>	<p>Page 37</p>
A.4.2	<p>Fees and Exaction: While the element includes some general discussion of fees, it should list and analyze all planning fees (e.g., general plan amendments, subdivisions, rezones, planned developments, variances, and conditional use permits (CUPs). In addition, the element should list and analyze all impact fees for cumulative impacts (e.g., fees per unit) on typical single family, multifamily and other housing development as appropriate.</p>	<p>Added details for all fees, including fees per unit for different housing development prototypes.</p>	<p>Appendix D - Housing Constraints</p>	<p>1.3.6</p>
A.4.3	<p>Processing and Permit Procedures: The element should describe and analyze the total permit and entitlement process for a typical single-family unit and multifamily development. The analysis should address typical processes for a development that complies with zoning, time to complete entitlements, decision-making body, number of hearing and approval findings. The analysis should address impacts on cost, timing, feasibility and approval certainty. The analysis should also specifically address the site plan review and major site plan review and list and evaluate approval findings for impacts on housing costs, supply and approval certainty. In addition, the Planned Development process should be evaluated as a potential constraint, including whether the process is required, presence or lack of fixed development standards and any other relevant factors for impacts on housing cost, timing, feasibility and approval certainty.</p>	<p>Added procedures for each permit including time frame, required hearings, findings, and cost.</p>	<p>Appendix D - Housing Constraints</p>	<p>Section 1.3.7</p>
A.4.4	<p>Housing for Persons with Disabilities: The element describes the City currently has a procedure for requesting and granting a reasonable accommodation for persons with disabilities; however, the element should also describe and evaluate approval findings and the process for providing reasonable accommodations. The analysis should specifically address findings that resemble CUP findings (e.g., impacts on surrounding uses). The element should also include an evaluate the definition of family used in zoning and land use. In addition, the City should clarify where and how group homes of seven or more persons are permitted and, based on this analysis, add or modify programs with specific commitment to revise zoning and procedures to permit with objective standards to facilitate approval certainty similar to other residential uses.</p>	<p>Added definition of family as defined by the City. Added to Program H-13 to evaluate and, if necessary, modify, permit process for 7+ group homes.</p>	<p>Appendix D - Housing Constraints, Chapter 7 - Housing Plan</p>	<p>1.3.9 (Appendix D), Program H-13 (Housing Plan)</p>
A.5.1	<p>Identified Densities and Approval Times: The element must address requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate.</p>	<p>Discussion of housing development at densities below those anticipated in Housing Element; and, added discussion relating to processing timelines.</p>	<p>Densities addressed in Appendix C; and submittal of building permits addressed in Appendix D - Housing Constraints</p>	<p>Section A.5.1 (Appendix C) and Page 63 (Appendix D)</p>
A.6.1	<p>Energy Conservation: The element must include a description of opportunities for energy conservation, including past efforts to better formulate appropriate policies and programs. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.</p>	<p>Added discussion of energy conservation resources available on the City's website. Also discussed the City's Reach Code and CAP policies.</p>	<p>Appendix C - Housing Resources</p>	<p>Section 1.7.4</p>

Publicly-Owned Sites: The element identifies City-Owned and BART owned sites to accommodate the RHNA and includes minimal commitment to market and coordinate on sites. However, the element should commit to a specific schedule of actions with discrete timing to facilitate development on these public lands. Examples of actions include coordination with property owners, disposing of land or leasing land, removing barriers, assisting in site preparation, facilitating entitlements, assisting with funding, issuing permits and alternative actions if lands do not move forward with development by a specified date.

B.1.1	HCD will send sample language under separate cover. Program 11.1 (By-right for Prior Housing Sites): The program should commit to permit residential uses by right pursuant to Government Code section 65583.2, subdivision (i) at appropriate densities (e.g., at least up to 30 units per acre or consistent with assumptions in the inventory).	Added specific commitments for publicly-owned sites to Program H-8.	Chapter 7 - Housing Plan	Program H-8
B.1.2	Program 24 (Tenant Relocation): As noted in the element (pp. D24 to D26), this program or another program should commit to promote various housing types, namely, group homes, single room occupancy and by right permanent supportive housing.	Revised Program H-11 accordingly.	Chapter 7 - Housing Plan	program H-11
B.1.3	Programs 4.1 and 4.4 (Local, State and Federal Funds): The program should commit to how often (e.g., at least annually) funds will be used or applied for and should also commit to identify development opportunities on at least an annual basis.	Revised accordingly. Changes made to Program H-13. No change made to program H-24.	Chapter 7 - Housing Plan	Program H-13
B.2.1	As noted in Findings A4 and A5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.	Revised Program H-4 accordingly.	Chapter 7 - Housing Plan	Program H-4
B.4.1	As noted in Finding A2, the element must include a complete assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, milestones, and geographic targeting, and, as appropriate, must address housing mobility enhancement (more choices and affordability across geographies), new housing choices and affordability in higher opportunity and income areas (e.g., missing middle housing types), place-based strategies for community preservation and revitalization and displacement protection.	Programs have been revised accordingly.		
B.5.1		Programs have been revised accordingly.		
C.1	Quantified Objectives: While the element includes quantified objectives for new construction, rehabilitation, and conservation (p. H-33), it could consider increasing objectives for all income groups given the severity of existing and projected housing needs.	Quantified objectives were increased. Chapter 1 provides detailed outreach summaries, including how outreach was considered and incorporated into the element. In response to public comment, the City revised assumed unit yields on BART sites, added a policy on Fair Chance Housing, and removed a site. Changes were made to Appendix A accordingly.	Chapter 7 - Housing Plan	Page 24
D.1	Public Participation: While the element includes a summary of the public participation process, it should describe how comments were considered and incorporated into the element. For example, the element generally lists and responds to comments (Appendix A) but not how those comments were incorporated into the element.		Chapter 1 - Introduction, Appendix A - Public Outreach	Chapter 1 - Section 1.7. Appendix A - Comment Response Matrix



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: PH 23-004

DATE: January 26, 2023

TO: Planning Commission

FROM: Elizabeth Blanton, Senior Planner

SUBJECT

Proposed Cannabis Microbusiness with Manufacturing, Distribution, Delivery, and Ancillary Retail Activities Located at 23000 Connecticut Avenue, Suite 5 (Assessor Parcel No. 439-0036-119-00) Requiring Approval of Conditional Use Permit Application No. 202001006. Douglas Chloupek (Applicant); Jon Cook (Property Owner).

RECOMMENDATION

That the Planning Commission approve the Conditional Use Permit for the proposed cannabis microbusiness to allow manufacturing, distribution, delivery, and ancillary retail activities based on the analysis set forth in this report and the required Findings (Attachment II) and subject to the Conditions of Approval (Attachment III).

SUMMARY

The applicant, Juva Life, Always on Time Consulting, is seeking approval of a Conditional Use Permit (CUP) to occupy an approximately 1,627 square-foot tenant space within an existing industrial building, located at 23000 Connecticut Avenue, Suite 5, for the operation of a cannabis microbusiness facility that includes manufacturing, distribution, delivery, and ancillary retail activities. The proposed project includes upgrades and modifications to the existing tenant space to enhance security and allow for the safe operation of cannabis activities.

ATTACHMENTS

- | | |
|----------------|------------------------------|
| Attachment I | Staff Report |
| Attachment II | Findings of Approval |
| Attachment III | Conditions of Approval |
| Attachment IV | Project Plans |
| Attachment V | Business and Operations Plan |
| Attachment VI | Safety and Security Plan |
| Attachment VII | Sustainability Plan |



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SUMMARY

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BACKGROUND

On October 30, 2017¹ and November 28, 2017², respectively, the Council enacted regulatory and land use ordinances authorizing cannabis businesses within the City of Hayward, subject to compliance with local and State regulations. The Council also established a request for proposal (RFP) process by which the City would select commercial cannabis businesses. The process involved four stages to help differentiate applicants who meet the City's desired set of qualifications. These stages include:

1. Criminal Background Investigation
2. Competitive Scoring and Ranking
3. Proposal Interviews
4. City Council Approval

¹ October 30, 2017 City Council Minutes

<https://hayward.legistar.com/MeetingDetail.aspx?ID=570110&GUID=1F62F795-56FA-4667-9BD1-E5FDA22CB8C5&Options=info&Search=>

² November 28, 2017 City Council Minutes

<https://hayward.legistar.com/MeetingDetail.aspx?ID=573134&GUID=C82D348A-0412-4741-854C-23697F2AE444&Options=info&Search=>

The applicant, Juva Life, Always on Time Consulting, was awarded a Commercial Cannabis Permit by the City Council during the City's second RFP process conducted in 2019. The Conditional Use Permit for Always on Time Consulting is the subject of this application.

It should be noted that Juva Life was also awarded a separate Commercial Cannabis Permit in the City's first RFP process in 2018 for Precision Apothecary, a cannabis microbusiness with cultivation, manufacturing, distribution, delivery, and ancillary storefront retail activities located at 25571 Clawiter Road and 3329 and 3363 Enterprise Road. The Conditional Use Permit for Precision Apothecary was approved by the Planning Commission in October 2020, however the business is not yet operational.

Since the applicant was awarded their Commercial Cannabis Permit for Always on Time Consulting, the City has updated its cannabis regulations, fees, and permitting process.³ As the proposed project was not entitled before these updated regulations went into effect in August 2021, the project is subject to the updated regulations.

Public Outreach. On February 27, 2020, an initial Notice of Application Receipt for the project application was sent to 87 addresses including property owners, tenants, and businesses within a 300-foot radius of the project site. On January 13, 2023, a Notice of this Public Hearing for the Planning Commission meeting was once again sent to property owners, residents, and businesses within 300-feet of the project site as well as published in *The Daily Review* newspaper. As of the date this staff report was written, Planning Division staff has received no public comments on this project.

PROJECT DESCRIPTION

Existing Conditions. The project site is just under one acre and is zoned General Industrial (IG) with a General Plan land use designation of Industrial Technology and Innovation Corridor (IC). The site has an existing industrial building divided into 10 tenant spaces, each approximately 1,600 square feet in size, and a surrounding surface parking lot. Surrounding land uses include a range of industrial uses, such as warehousing, offices, contractors, auto repair, and other cannabis businesses, including a cannabis distribution business in the neighboring tenant space on site. While the cannabis distribution business was entitled in 2019, it is not yet operational.

Proposed Project. As proposed, the cannabis microbusiness would include manufacturing, distribution, and delivery activities, with the option of adding an ancillary storefront retail component in the future. As shown in the Project Plans [Attachment IV], the proposed microbusiness would occupy Suite 5, which is approximately 1,627 square feet. The tenant space would be partitioned into seven different room – a manufacturing room, distribution room, delivery room, office, entry/security room, break room, and restroom. No changes are proposed to the exterior of the building, other than the installation of some security features, which are discussed further below.

As detailed in the Business and Operations Plan [Attachment V], Always on Time aims to improve the quality of life of patients enduring debilitating symptoms of serious illnesses through the use of “precision cannabis”, which they define as the right medicine to the right

³ City Council Public Hearing 21-057, July 6, 2021:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5018121&GUID=45EA002F-4F31-4CB7-8C4B-DEB0FAB39E94>

patient at the right doses and at the right time. The facility will manufacture various cannabis goods (e.g. edibles, soft-gel capsules, transdermal patches, oral film stops, inhalers, suppositories, etc.) using blending, grinding, extracting, emulsifying, heating, cooling, filtering, and purifying techniques. The distribution component of the business will procure and distribute cannabis products from licensed cultivators, manufacturers, and microbusinesses to licensed retailers, manufacturers, and microbusinesses. The retail component of the business will deliver product directly to consumers in secure delivery vehicles. In accordance with Section 10-1.3609 of the Hayward Municipal Code, the proposed microbusiness would also be allowed to conduct on site ancillary storefront retail of any products produced on site, should they elect to do so. The facility will operate 24 hours a day, though delivery activities will be limited to 6:00 a.m. to 10:00 p.m., as required by State law.

Safety and Security Plan. A detailed Safety and Security Plan [Attachment VI] is designed to ensure public and product safety. According to the Plan, and as conditioned, a minimum of one security guard will be on site at all times during hours of operation. Other proposed security measures include the installation of an alarm system and high definition 24-hour cameras located in the interior and exterior of the building. The company's fleet of vehicles will be outfitted with lock boxes for product to be stored when making deliveries.

Surveillance videos and inventory reports will be made available to the City upon request. Movement of employees through the premises will be tightly controlled and monitored through the use of security badges. The Safety and Security Plan provides further detail about numerous additional security measures that will be taken with each component of the microbusiness. The proposed Safety and Security Plan has been reviewed and deemed appropriate by the Hayward Police Department.

Sustainability Plan. The Sustainability Plan [Attachment VII] includes a matrix that lists the company's various sustainability initiatives and objectives. The Plan is designed to be a working document to track progress while adopting new initiatives and strategies as appropriate. The matrix identifies sustainability actions related to water conservation, emissions reductions, recycling, energy conservation, renewable energy, and toxic materials/waste management. These include providing incentives to employees who use alternative transportation, allowing telecommuting when possible, installing a properly sized, energy efficient heating and cooling system, following the EPA's waste minimization hierarchy, and purchasing products made with post-consumer recycled content. The Environmental Services Division has reviewed the Sustainability Plan and deems it appropriate.

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan. As stated above, the project site is in an area designated as Industrial Technology and Innovation Corridor (IC) in the *Hayward 2040 General Plan*.⁴ The Corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing and warehousing and newer information- and technology-based uses. Allowable uses include professional offices, corporate campuses, research and development, warehousing and logistics, manufacturing, and biotechnology.

⁴ Hayward 2040 General Plan: <https://www.hayward2040generalplan.com/>

The proposed cannabis microbusiness would support the following *Hayward 2040 General Plan* goals and policies:

- *Land Use Policy LU-2.16, Uses to Attract the Creative Class.* The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward.
- *Economic Development Policy ED-1.4.* The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors.
- *Economic Development Goal ED-2.* Cultivate a culture of entrepreneurship to encourage and support local business start-ups.

Further discussion of the consistency between the proposed use and General Plan policies is included in the Staff Analysis section below and in Attachment II, Findings.

Zoning Ordinance. The project site is located within the General Industrial (IG) zoning district.⁵ The IG district conditionally permits the establishment of a cannabis microbusiness with approval of a Conditional Use Permit.⁶

The Planning Commission may conditionally approve a Conditional Use Permit for a cannabis use when all of the required Findings pursuant to Sections 10-1.3225 and 10-1.3609 of the Hayward Municipal Code are met. The required Findings are listed below:

Conditional Use Permit Required Findings

- The proposed use is desirable for the public convenience or welfare;
- The proposed use will not impair the character and integrity of the zoning district and surrounding area;
- The proposed use will not be detrimental to the public health, safety, or general welfare; and
- The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.

Cannabis Required Findings

- The proposed cannabis use will not be detrimental to the public health, safety, or general welfare in that the cannabis operation is situated in an appropriate location where sensitive land uses will not be adversely impacted;
- Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste related to the cannabis operation;
- The cannabis operation is designed to be safe, secure, and aesthetically compatible with the surrounding area; and

⁵ Section 10-1.1600 (Industrial Districts) of Hayward Municipal Code:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1Z00R_S10-1.1600INDI

⁶ Section 10-1.3200 (Conditional Use Permit) of Hayward Municipal Code:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=CD_ORD_CH10PLZOSU_ART1Z00R_S10-1.3200COUSPE

- The cannabis operation will not place a burden on the provision of public services disproportionate to other industrial or commercial uses.

Further analysis related to the Conditional Use Permit and Cannabis findings is included in the Staff Analysis section below and contained in Attachment II, Findings.

Commercial Cannabis Permit. An applicant is required to obtain approval of a Commercial Cannabis Permit by the City to ensure that all regulatory requirements are met.⁷ The applicant has satisfied this requirement.

The applicant must also obtain the necessary land use entitlement, which is the subject of this application. Following entitlement, the applicant will be required to obtain a cannabis license from the State. Failure to obtain the State license would be grounds for revoking the City's permit.

Once issued, all Commercial Cannabis Permits issued by the City are valid for one year and must be renewed annually following the completion of a mandatory safety inspection and demonstration of compliance with all local and State regulations, including any Conditions of Approval of this Conditional Use Permit.

STAFF ANALYSIS

Staff has reviewed the project application and believes that the Planning Commission can make the required Findings to conditionally approve the establishment of the proposed cannabis microbusiness with manufacturing, distribution, delivery, and ancillary retail activities at the subject property. As mentioned previously, the proposed use is located within the City's industrial area, surrounded by a mix of industrial uses including warehousing, offices, contractors, auto repair, and other cannabis uses. With approval of a Conditional Use Permit, the proposed project is consistent with the General Industrial Zoning District, as well as the goals and policies of the City's General Plan, which calls for a diverse mix of industrial uses, including those associated with new technologies and emerging industries.

As part of the initial RFP process to obtain their Commercial Cannabis Permit from the City Council, the applicant's business plan was reviewed and scored by an independent, outside consultant who determined this operator would meet several of the City's objectives related to best practices for the cannabis industry. Planning Division staff has further determined that potential nuisances associated with the facility will be mitigated with the implementation of the proposed Business and Operations Plan, Safety and Security Plan, and Sustainability Plan, as well as by the attached Conditions of Approval.

The Hayward Police Department, Code Enforcement Division, and Fire Department have reviewed the project proposal with Planning Division staff to ensure the proposed microbusiness can be operated in a safe manner. As conditioned, the proposed use would provide a safe and secure environment for employees and mitigate potential impacts to adjacent properties. The conditions require the applicant to adhere to the approved plans, including the comprehensive list of security, safety, and sustainability measures. Additionally,

⁷ Chapter 6, Article 14 (Commercial Cannabis Businesses) of the Hayward Municipal Code: https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1Z0OR_S10-1.1600INDI

Commercial Cannabis Permits are renewed annually, providing the City an opportunity to revoke a permit if determined that the applicant does not adhere to the City's requirements and Conditions of Approval.

ENVIRONMENTAL REVIEW

The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class I for existing facilities in that the project involves the use of a tenant space within an existing structure. Therefore, no environmental review is necessary.

NEXT STEPS

If the Planning Commission approves the Conditional Use Permit, then a 10-day appeal period will commence from the date of decision. If no appeal is filed, the Commission's decision will be deemed final. If an appeal is filed within the 10-day time frame, then the application will be heard by the City Council for final disposition.

Prepared by: Elizabeth Blanton, AICP, Senior Planner

Recommended by: Leigha Schmidt, AICP, Principal Planner

Approved by:



Jeremy Lochirco, Planning Manager



Sara Buizer, AICP, Acting Development Services Director

**CITY OF HAYWARD PLANNING COMMISSION
PROPOSED CANNABIS MICROBUSINESS WITH MANUFACTURING, DISTRIBUTION,
DELIVERY, AND ANCILLARY RETAIL ACTIVITIES
JUVA LIFE, ALWAYS ON TIME CONSULTING, 23000 CONNECTICUT STREET, SUITE 5
CONDITIONAL USE PERMIT APPLICATION NO. 202001006**

FINDINGS FOR APPROVAL

Conditional Use Permit

Pursuant to Hayward Municipal Code Section 10-1.3225, The Planning Commission or other approving authority may approve or conditionally approve an application when all the following findings are made:

1. *The proposed use is desirable for the public convenience or welfare;*

The proposed cannabis microbusiness with manufacturing, distribution, delivery, and ancillary retail activities would be desirable for the public convenience and welfare in that it would result in establishment of a cannabis facility in a vacant industrial tenant space within the Industrial General (IG) Zoning District. The proposed cannabis microbusiness would positively contribute to the City by paying local taxes and contributing to the diversification of uses within the industrial area. Additionally, the tenant space would be renovated, and the applicant would provide security guard service and video surveillance, benefitting the neighborhood.

2. *The proposed use will not impair the character and integrity of the zoning district and surrounding area;*

The proposed facility would occupy a tenant space within an existing building. In the IG District, a cannabis microbusiness is allowed with approval of a Conditional Use Permit. If approved, the cannabis microbusiness would operate in similar fashion as other surrounding industrial uses, including other nearby cannabis facilities.

To ensure that the proposed use would not impair the character and integrity of the applicable zoning district, the facility would adhere to all the requirements set forth by the City's Cannabis Ordinance, in addition to the requirements set forth by the Hayward Police Department, Hayward Fire Department, Hayward Building Division, and all other pertinent regulations established by State, County and local laws. No changes to the building exterior are proposed, which will maintain a consistent appearance with the surrounding area.

3. *The proposed use will not be detrimental to the public health, safety, or general welfare; and*

The proposed cannabis microbusiness would not be detrimental to the public health, safety, or general welfare in that the facility, as conditioned, would operate within the permit requirements and regulations established by State and local laws. As conditioned, the applicant will provide an Odor Mitigation Plan as part of their building permit application to ensure that cannabis odors cannot be detected outside

of the facility. A detailed Safety and Security Plan includes installation of security cameras inside and outside of the building and a security guard to be present at all times during operating hours. Additionally, the facility would have an alarm system; maintain compliance with a State-mandated track and trace program to prevent diversion of cannabis; maintain a records retention program; and provide identification of a local contact to handle all safety and security issues. The applicant and all employees associated with the business are subject to extensive background screening by the Police Department and will be subject to employee training.

4. *The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.*

Per Table 10-1.1603 of the Hayward Municipal Code, a cannabis microbusiness is an allowed use in the IG District with the approval of a Conditional Use Permit. The proposed use would contribute positively to the City's tax base and support the following General Plan goals and policies:

- Land Use Policy LU-2.16, Uses to Attract the Creative Class. The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward.
- Economic Development Policy ED-1.4. The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors.
- Economic Development Goal ED-2. Cultivate a culture of entrepreneurship to encourage and support local business start-ups.

Cannabis Ordinance

In addition to the required findings contained in HMC Section 10-1.3225 (Conditional Use Permit), every land use application requiring discretionary review for cannabis and cannabis products shall be required to make the following findings per HMC Section 10-1.3609 prior to issuance:

1. *The proposed cannabis use will not be detrimental to the public health, safety, or general welfare in that the cannabis operation is situated in an appropriate location where sensitive land uses will not be adversely impacted;*

The proposed cannabis microbusiness would not be detrimental to the public health, safety, or general welfare in that the facility, as conditioned, would operate within the permit requirements established by the State and by the City. Per the City's land use requirements, cannabis facilities are allowed in the IG District with the approval of a Conditional Use Permit.

The proposed project includes a Safety and Security Plan, including but not limited to an on-site security guard, cameras, employee background checks, and Conditions of Approval related to odor, loitering, and other potential nuisances. Together, these measures and conditions protect public health and safety within the vicinity of the subject site.

2. *Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste related to the cannabis operation;*

Physical and operational safeguards are in place to ensure this cannabis microbusiness operates at the proposed location without impacts to other properties. The proposed project includes a Business and Operations Plan and Safety and Security Plan that contain measures including, but not limited to installing security cameras inside and outside of the building, providing an on-site security guard, submitting to employee background checks, and securing and properly disposing of cannabis waste. In addition, the applicant will be required to submit an Odor Mitigation Plan as part of their building permit application to ensure that no cannabis odors are detectable outside of the facility.

As part of the initial RFP process, the applicant's business plan was reviewed and scored by an independent, outside consultant who determined this operator would meet the City's objectives related to cannabis industry best practices. Furthermore, per the proposed Conditions of Approval and as required by the Municipal Code, the applicant's Commercial Cannabis Permit shall be renewed annually. This provides the City a yearly opportunity to reevaluate the proposed business, and ensure compliance with the approved Business and Operations Plan, the Conditions of Approval, and all pertinent City regulations.

3. *The cannabis operation is designed to be safe, secure, and aesthetically compatible with the surrounding area; and*

The proposed cannabis microbusiness would occupy a tenant space within an existing building. No changes are proposed to the exterior of the building, other than minor security upgrades. The project's Safety and Security Plan has been reviewed by the Hayward Police Department and deemed appropriate for the proposed operation.

4. *The cannabis operation will not place a burden on the provision of public services disproportionate to other industrial or commercial uses.*

The proposed use would operate in an existing industrial tenant space. The energy and water needs of the proposed facility do not exceed those of other similar industrial uses. In addition, the applicant would be subject to annual review, which would require inspection of the cannabis microbusiness by the City's Code Enforcement Division, Police Department and Fire Department. Further, as conditioned, any excessive calls for service, including nuisance and code violations, may result in the revocation of the approval.

Environmental Review

1. The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Class 1), Existing Facilities, in that the proposed use would occupy a tenant space within an existing industrial building to accommodate a cannabis microbusiness. As proposed and conditioned, the proposed use will not result in any significant impacts related to traffic, noise, air quality and water quality.

**CITY OF HAYWARD PLANNING DIVISION
PROPOSED CANNABIS MICROBUSINESS WITH MANUFACTURING, DISTRIBUTION,
DELIVERY, AND ANCILLARY RETAIL ACTIVITIES
JUVA LIFE, ALWAYS ON TIME CONSULTING, 23000 CONNECTICUT STREET, SUITE 5
CONDITIONAL USE PERMIT APPLICATION NO. 202001006**

CONDITIONS OF APPROVAL

GENERAL

1. The applicant shall assume the defense of and shall pay on behalf of and hold harmless the City, its officers, employees, volunteers and agents from and against any or all loss, liability, expense, claim costs, suits and damages of every kind, nature and description directly or indirectly arising from the performance and action of this permit.
2. The applicant, property owner or designated representative shall allow the City's staff to access the property for site inspection(s) to confirm all approved conditions have been completed and are being maintained in compliance with all adopted city, state and federal laws.
3. Prior to the issuance of the Certificate of Occupancy, the applicant shall contact the Planning Division and be subject to a site inspection by the designated project planner to verify that all applicable mitigations and conditions of approval have been satisfied. The cost of inspection, including any subsequent inspections that are deemed necessary by the City, shall be paid by the applicant.
4. Failure to comply with any of the conditions set forth in this approval, or as subsequently amended in writing by the City and agreed to by the applicant, may result in failure to obtain a building final and/or a Certificate of Occupancy until full compliance is reached. The City's requirement for full compliance may require minor corrections and/or complete demolition of a non-compliant improvement regardless of costs incurred where the project does not comply with design requirements and approvals that the applicant agreed to when permits were pulled to construct the project. The applicant acknowledges that the conditions set forth in this approval are not intended to supersede any obligations imposed pursuant to Chapter 6, Article 14 of the Hayward Municipal Code related to commercial cannabis permits, as it may be amended from time to time.
5. All outstanding fees owed to the City, including permit charges and staff time spent processing or associated with the development review of this application shall be paid in full prior to any consideration of a request for approval extensions and/or the issuance of a building permit.
6. The applicant shall take all reasonable steps to discourage and correct conditions that constitute a public or private nuisance in parking areas, sidewalks, alleys and areas surrounding a permitted facility. Such conditions include but are not limited to:

smoking; creating a noise disturbance; loitering; littering; and graffiti. Graffiti must be removed from property and parking lots within 72 hours of discovery.

7. Delivery vehicles shall not be stationed on public right of way.
8. The cannabis microbusiness facility with manufacturing, distribution, delivery, and ancillary retail activities shall operate according to these conditions of approval and the business plan submitted on September 30, 2022, including the hours of operation, intensity of use and mode/character of the proposed microbusiness operation. Any future change or modification of the operational plan and/or any expansion of the approved use may require the submittal of a new use permit application and commercial cannabis permit and shall be subject to additional review and approval by the City prior to any change, modification or expansion.
9. Any ancillary retail must be inspected by the Planning Division, Code Enforcement Division, and Police Department prior to operation to ensure compliance with these Conditions of Approval and City regulations and standards.
10. The cannabis facility may operate 24 hours a day, seven days a week, with the exception of the delivery component, which is limited to 6:00 a.m. to 10:00 p.m., as required by State law and any ancillary retail, which shall be limited to 9:00 a.m. to 9:00 p.m. Upon license renewal, the City may impose more restrictive hours of operation due to site specific conditions or as the result of excessive and/or extraordinary calls for service, as determined by the City's Police Department.
11. Permittees shall employ only persons at least 21 years of age at any permitted facility within the City of Hayward. Employee records shall be kept and maintained, and proof of age shall be provided to the City upon request.
12. Permittees shall have an on-site manager at each permitted facility within the City of Hayward who is responsible for overall operation during times that employees are conducting operations and shall provide the City with contact information for all such persons, including telephone number and email address. Permittees shall also provide the City with the name and contact information including phone number of at least one manager that can be reached 24-hours a day.
13. The proposed cannabis use shall operate in a manner to prevent possible diversion of cannabis and shall promptly comply with any track and trace program established by the State.
14. The applicant shall notify the City if it intends to transfer any portion of ownership or operational control of a Commercial Cannabis Business and shall complete the New Owner/Investor Application Attestation Form as provided by the City. All new owners/investors are subject to the LiveScan fingerprint background check and the transferee shall be responsible for complying with all applicable local and state licensing requirements. Any conditions imposed upon the transferor by the original use permit shall be binding upon any subsequent transferees. Any transfer of

- ownership or operational control of a Commercial Cannabis Business which results in a lapse of normal operations for a period of six months or more shall be required to obtain a new use permit and/or commercial cannabis permit, consistent with Sections 10-1.3170 or 10-1.3270 of the Hayward Municipal Code, as applicable.
15. The applicant shall utilize only extraction processes that are (a) solvent-free or that employ only non-flammable, nontoxic solvents that are recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act, and/or (b) use solvents exclusively within a closed loop system that meets the requirements of the federal Food, Drug, and Cosmetic Act including use of authorized solvents only, the prevention of off-gassing, and certification by a California licensed engineer. The use of volatile solvents, defined as Commercial Medical and Non-Medical Cannabis Manufacturing - Level 2, is prohibited.
 16. No closed loop systems shall be utilized without prior inspection and approval of the City's Building Official and Fire Code Official.
 17. Any manufacturing, processing and analytical testing devices used by the applicant must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third-party testing agency or engineer and approved for the intended use by the City's Building Official and Fire Code Official.
 18. All owners, employees, volunteers or other individuals that participate in the production of edible cannabis products must be state certified food handlers. The valid certificate number of each such owner, employee, volunteer or other individual must be on record at approved facility where that individual participates in the production of edible cannabis products. No consumption of any cannabis product is allowed on-site, including in outdoor areas and parking lots.
 19. If applicable, the applicant shall obtain a permit from the Alameda County Public Health Department and provide a copy of the valid permit to the City prior to the operation of any cannabis manufacturing activities on-site. All permit holders shall comply with State and County health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products.
 20. No person who is younger than the minimum age established by state law for the purchase, possession or consumption of cannabis and cannabis-related products shall be allowed on the premises of a permitted Commercial Cannabis Business.
 21. The applicant shall provide the Police Department with information regarding any motor vehicle used for the delivery of cannabis goods, including the vehicle's make, model, color, vehicle identification number (VIN), license plate number and Department of Motor Vehicles registration information. Vehicles shall be registered with the Hayward Police Department.

22. Any motor vehicle used to deliver or transport cannabis goods is subject to inspection by the Hayward Police Department. Vehicles may be stopped and inspected by the Hayward Police Department at any licensed premises or during delivery or transport.
23. A licensed retailer's delivery employee shall not carry cannabis goods in the delivery vehicle with a value in excess of \$3,000 (three-thousand) at any given time.
24. The facility must be conducted in accordance with the Sustainability Plan approved.

Security

25. The proposed cannabis use shall provide adequate security on the premises, including any on-site security, lighting, and alarms, to ensure the public safety and the safety of persons within the facility and to protect the premises from theft. The applicant shall provide at least one, State-licensed, security guard on the premises during hours of operation. Additionally, all Commercial Cannabis Businesses and Cannabis Operators shall maintain and implement a security and safety plan that includes the following minimum requirements:
 - a. *Security Cameras.* Security surveillance IP video cameras shall be installed and maintained in good working order to provide coverage on a twenty-four (24) hour real-time basis of all internal and exterior areas where Cannabis is weighed, manufactured, packaged, stored, and transferred. The cameras shall allow for remote access to be provided to the Hayward Police Department. The security surveillance cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. IP cameras shall remain active at all times and shall be capable of operating under any lighting condition. Security video must use standard industry format to support criminal investigations and shall be maintained for ninety (90) days.
 - b. *Alarm System.* A professionally monitored security alarm system shall be installed and maintained in good working condition. The alarm system shall include sensors to detect entry and exit from all secure areas and all windows. The applicant shall keep the name and contact information of the alarm system installation and monitoring company as part of the Commercial Cannabis Business's onsite books and records. Cannabis Operators shall also identify a local contact who will be responsible for addressing security and safety issues and shall provide and keep current that contact information to the Hayward Police Department as part of the permitting process.
 - c. *Secure Storage and Waste.* Commercial Cannabis products and associated product manufacturing, distribution, and delivery waste shall be stored and secured in a manner that prevents diversion, theft, loss, hazards and nuisance.
 - d. *Transportation.* The proposed use shall implement procedures for safe and secure transportation and delivery of Commercial Medical and Non-Medical Cannabis, including all Cannabis products and currency, in accordance with

local and state law. None of the vehicles associated with commercial use shall have markings or advertising that indicates the presence of cannabis on-site.

- e. *Security Fencing.* In coordination with the Property Owner and the cannabis business located in Unit 3, the applicant shall be responsible for maintaining the perimeter fencing in good condition with durable, weather-proof materials. Chain-link fencing along McCone Avenue shall be replaced with durable wrought-iron fencing and/or similar material to the satisfaction and discretion of the Police and Development Services Departments. Fencing and/or walls shall adhere to the height limitations and setback standards of the respective zoning district.
- f. *Building Security.* All points of ingress and egress to the proposed use shall be secured with Building Code compliant commercial-grade, non-residential door locks and/or window locks. All heating, ventilating, air-conditioning and service openings shall be secured with steel bars and/or metal grating.
- g. *Emergency Access.* Security measures shall be designed to ensure emergency access is provided to the Hayward Police Department and Hayward Fire Department for all areas on the premises in the case of an emergency.
- h. *Background Checks.* All employees working in conjunction with the cannabis microbusiness shall be subject to background/LiveScan checks. Additionally, all employees shall furnish the Hayward Police Department a state or federal registered Identification Card, upon request.
- i. *Inspections.* During regular business hours, the building premises shall be accessible, upon request, to an identified Hayward Police Department, Building Division, or Code Enforcement employee for random and/or unannounced inspections.
- j. *Security Guards.* The applicant shall provide at least one uniformed security guard licensed by the State of California.
 - i. The security guard(s) shall maintain order therein and prevent any activity which would interfere with the quiet enjoyment of the properties of nearby businesses.
 - ii. Said personnel shall carry his/her Guard Card on their person at all times and present it to any Peace Officer upon demand. Said personnel shall be clothed in such a manner as to be readily identifiable.
 - iii. The security guard shall be contracted out through a licensed security employer. If the business owner chooses to hire security guards under his/her business, he/she must hold a PSE license (Proprietary private Security Employer). See further information from the Bureau of

Security and Investigative services:
<https://www.bsis.ca.gov/consumers/faqs/ppse.shtml>.

- k. *Records Retention.* All financial records, personnel records, training records, contracts, permits, security records, destruction records, data entered into track-and-trace, and an accurate record of all business activities must be made available to the Hayward Police Department upon request.

Odor Control

26. No cannabis odors shall be detectable outside of the facility. The applicant shall incorporate and maintain adequate on-site odor control measures such that the odors resulting from cannabis manufactured and stored on-site cannot be readily detected from outside of the structure in which the Business operates or from other non-cannabis businesses adjoining the Commercial Cannabis Business.
27. The building permit application shall include duct work, filters and other odor mitigation measures in the Odor Mitigation Plan and shall be certified by a professional engineer or industrial hygienist. The Odor Mitigation Plan shall include the following:
- a. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system remains functional;
 - b. Staff training procedures; and
 - c. Engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate cannabis odors.

Commercial Cannabis Permit

28. The applicant shall obtain and maintain a valid Commercial Cannabis Permit from the City, including any other applicable State and local permits and inspections. Commercial Cannabis Permit renewals are subject to the requirements of Section 6-14.15 of the Hayward Municipal Code. Commercial Cannabis Permits are valid for a period of one year from the date that the permittee received land use approval and shall be renewed annually. The permit is invalid if the term has expired and the annual fee, as established in the City of Hayward Master Fee schedule, has not been timely paid in full. Non-payment will result in a violation penalty fee in accordance with the Master Fee Schedule for Cannabis uses. Additionally, the City may invalidate or suspend a Cannabis Permit for excessive calls for service or nuisance citations.

29. The proposed commercial cannabis use shall not commence operations until the Business can demonstrate compliance with all necessary state and local licenses (dual licensing) and agency permits. Failure to demonstrate dual licensing in accordance with the Hayward Municipal Code shall be grounds for revocation of a City approved permit. Revocation of a local permit and/or a state license shall terminate the ability of the Commercial Cannabis Business to operate until a new permit and/or state license is obtained.
30. The applicant shall maintain books, records, accounts, public safety calls for service, and all data and information relevant to its operations of the commercial cannabis use, including the implementation of the proposed community benefits component, and allow the City access to such records for purposes of conducting an audit or examination to determine compliance with the Hayward Municipal Code, and other local regulations, including compliance with local tax obligations. Prior to the applicant's commercial cannabis permit renewal each year, the applicant shall provide these records to the City for review to verify compliance.

Building Design & Signage

31. All exterior and rooftop mechanical equipment shall be screened. Mechanical and rooftop equipment shall include, but is not limited to, electrical panels, pull boxes, air conditioning units, gas meters, and other equipment. All rooftop screening and mechanical equipment shall be shown on the project plans and be subject to final review and approval by City staff prior to the issuance of an occupancy permit.
32. Any above-ground structures that may be required to provide utilities for the project shall be compatible as to location, form, design, exterior materials, and noise generation. The applicant shall obtain staff approval prior to issuance of permits.
33. There shall be no display of cannabis goods and/or cannabis related products visible to the general public at the licensed premises. The establishment shall not display any cannabis related paraphernalia that may be used to administer commercial cannabis and/or commercial cannabis products.
34. No signs are approved with this project. Any signs shall be reviewed and approved by the Planning Division and a separate Sign Permit application shall be required, consistent with Hayward Municipal Code Sign Ordinance requirements.

Expiration & Revocation

35. This Use Permit approval is void 36 months after the effective date of approval unless:
 - a. Prior to the expiration of the 36-month period, a building permit application has been submitted and accepted for processing by the Building Official or a time extension of the approval has been granted by the Planning Director.

- b. If a building permit is issued for construction of improvements authorized by the use permit approval, said approval shall be void two years after issuance of the building permit, or three years after approval of the application, whichever is later, unless the construction authorized by the building permit has been substantially completed or substantial sums have been expended in reliance on the conditional use permit approval. A request for an extension must be submitted in writing to the Planning Division at least 30 days prior to the above date.
 - c. Business operations have commenced in accordance with all applicable conditions of approval.
- 36. If this conditionally permitted use ceases operation for a period of more than six consecutive months, it shall be deemed to be discontinued, and the use permit establishing said use shall become null and void. Reestablishment of said use shall only be permitted upon obtaining a new use permit.
- 37. The Planning Commission may require modification, discontinuance or revocation of this Conditional Use Permit if its determined that the use is operated or maintained in a manner that it:
 - a. Adversely affects the health, peace or safety of persons living or working in the surrounding area;
 - b. Contributes to a public nuisance; or
 - c. Has resulted in excessive nuisance activities including disturbances of the peace, illegal drug activity, diversion of cannabis or cannabis products, public intoxication, smoking in public, harassment of passerby, littering, or obstruction of any street, sidewalk or public way; or
 - d. Violates any provision of the Hayward Municipal Code or condition imposed by a City issued permit, or violates any provision of any other local, state, regulation, or order, including those of state law or violates any condition imposed by permits or licenses issued in compliance with those laws.

CODE ENFORCEMENT

- 38. All tenant improvements and modifications and/or demolition require approval of a building permit prior to the start of the work. Verified violations of the California Building Code Section 105.1 are subject to a penalty fee of 205% of the required permit fees in addition to the regular Building Division fees in accordance with the City of Hayward Master Fee Schedule.
- 39. No outdoor storage or uses permitted. All cannabis related activities are to be conducted indoors.

40. The Commercial Cannabis establishment shall maintain and visibly post valid copies of all required State, Local, and Municipal permits, including but not limited to the State of California Cannabis Bureau license, the Hayward Cannabis license, City of Hayward business license, and other pertinent permits and licenses according to the specific cannabis use.
41. Every owner of real property within the City is required to manage the property in a manner so as not to violate the provisions of the Cannabis Ordinance and/or any State and Municipal regulations. The property owner remains ultimately liable for all penalties and fees as a result of violation of any of the requirements for the Commercial Cannabis operation thereof regardless of any contract or tenant agreement or other third parties.

BUILDING

42. The project requires a building permit for the tenant improvement. During that review process, additional comments will be provided.

WATER POLLUTION SOURCE CONTROL

43. No wastewater from any process other than domestic waste is allowed down the sanitary sewer. Domestic waste shall only include normal potable water usage, such as bathroom wastewater, or employee breakroom wastewater. Any other use of water or generation of wastewater, inside or outside the building, requires the user to contact Water Pollution Source Control at 881-7900 for approval for sanitary discharge if the facility changes the plumbing of the building.
44. All waste associated with the cannabis production shall be contained inside and off hauled to the appropriate waste disposal, not disposed of in the existing trash enclosure at the facility.
45. The existing monitoring structure is shared amongst all the tenants of the warehouse. WPSC reserves the right to monitor the sanitary sewer discharge at any time and monitor the water use of the facility.

SOLID WASTE

46. Owner or property manager will be responsible for staging all non-cannabis waste containers (landfill, recycling, and organics) for waste collection on collection days. The non-cannabis waste containers will be staged on Connecticut St. The containers cannot be placed at the curb any earlier than 6:00 a.m. the day before scheduled collection, and are required to retrieve them no later than midnight the days the containers are emptied.
47. The owner or property manager shall be responsible for litter-free maintenance of the property and shall remove any litter on or within 50 feet of the property daily to

ensure that the property and its street frontage remain clear of any abandoned debris or trash per Municipal Code Sec.11-5.22.

FIRE PREVENTION/HAZARDOUS MATERIALS

Project Site Requirements

48. A key switch (electrified gates) or Knox brand lock (manual gates) should be provided and mounted on a stationary place on the outside of the gate. The key switch shall be mounted on a permanently affixed monument three (3) to five (5) feet above ground. Knox products are available for purchase online at the website www.knoxbox.com.
49. Building Address – Minimum building address shall be 12” high with 1.5” stroke. When building is located greater than 50 feet from street frontage, address shall be minimum 16” high with 1.5” stroke. Tenant space number shall be 6” high with 0.75” stroke on a contrasting background so as to be visible from the street.
50. Extraction equipment (rosin heat press) used for the extraction of plant oils shall be listed or approved for the specific use. If the equipment is not listed, then the system shall be reviewed by a registered design professional. For systems and equipment not listed for specific use, a technical report shall be prepared and submitted to the fire code official for review and approval. The individual preparing the technical report shall be approved by the fire code official prior to performing the analysis.

Fire Protection Requirements

51. Submit for proper building permits for the interior construction/modifications of the building to the Building Department. All building construction shall meet the requirements of adopted California Building and Fire Code(s) respectively.
52. This project proposed the installation of a fire alarm system. Proposed installation shall meet the standards of the current edition of the California Fire Code (CFC) the National Electrical Code (NEC) and National Fire Protection Agency NFPA 72 Standards. A separate submittal is required for this installation.
53. A building permit is required for the installation of storage racks greater than 6 feet in height. A Fire Department annual operation permit is required for any combustible storage (floor and/or rack) which exceeds 12 feet in height (Class I-IV type commodities), AND/OR any high hazard storage which includes commodities such as hazardous materials, flammable liquids, plastics, foam and rubber products, or any other classified commodity as dictated by the California Fire Code and NFPA 13 Standards, which exceeds 6 feet in height.
54. A building permit is required for the installation of steel pallet racking. This is a separate submittal that shall be acquired through the City of Hayward Building Division.

55. Portable fire extinguishers shall be installed throughout the new tenant space at every 75 feet of travel or in areas required by the Fire Department. Portable fire extinguishers shall have a minimum rating of 2A:10BC, of which the maximum protection area is 1,500 square feet. Signage shall be provided for each portable fire extinguisher and shall be acceptable to the Fire Department.
56. In conjunction with the current edition of the California Building and Fire Code(s), illuminated exit signage shall be provided at locations approved by the AHJ.

Hazardous Materials Requirements

57. The proposed application does not include the storage or use of hazardous materials. If the applicant in the future would like to store or use hazardous materials or generate hazardous waste, then the applicant shall provide adequate information to the Hazardous Materials Office and Fire Prevention Office in order to provide appropriate conditions.

ABBREVIATIONS

&	And	MACH.	Machine
<	Angle	MAX.	Maximum
@	At	MECH.	Mechanical
C	Centerline	MEMB.	Membrane
∅	Diameter or Round	MET.	Metal
d	Penny (nail size)	MFR.	Manufacturer
#	Pound or Number	MIN.	Minimum
'	Feet	MIR.	Mirror
*	Inches	MISC.	Miscellaneous
		MTD.	Mounted
		MTG.	Mounting
		MUL.	Mullion
ACOUS.	Acoustic	N	North
ADJ.	Adjustable	(N)	New
ALUM.	Aluminum	N.I.C.	Not in Contract
ALT.	Alternate	NO.	Number
APPROX.	Approximate	NOM.	Nominal
ARCH.	Architect(ural)	N.T.S.	Not to Scale
		O.C.	On Center
		O.D.	Outside Diameter (Dim.)
		OFF.	Office
		OPER.	Operable
		OPNG.	Opening
		OPP.	Opposite
BD.	Board	PL.	Plate, Property Line
BITUM.	Bituminous	P. LAM.	Plastic Laminate
BLD.	Building	PLAS.	Plaster
BLK.	Block	PLYWD.	Plywood
BLKG.	Blocking	PR.	Pair
BM.	Beam	PROJ.	Projection
BOT.	Bottom	PROP.	Property
		PT.	Point
CAB.	Cabinet	PTN.	Partition
C.C.	Center to Center	P.V.C.	Poly-vinyl Chloride
CEM.	Cement	Q.T.	Quarry Tile
CER.	Ceramic	QTY.	Quantity
CLG.	Ceiling	R.	Riser
CLO.	Closet	RAD.	Radius
CLR.	Clear	R.D.	Roof Drain
COL.	Column	RECESS.	Recessed
CONC.	Concrete	RECP.	Receptor
CONN.	Connection	RECT.	Rectangular
CONSTR.	Construction	REF.	Reference
CONT(IN).	Continuous	REINF.	Reinforced
C.T.	Ceramic Tile	REQ.	Required
CTR.	Center	RESIL.	Resilient
CTSK.	Countersunk	R.H.	Robe Hook
C.W.	Cold Water	RM.	Room
		R.O.	Rough Opening
		R.W.L.	Rain Water Leader
		S.	South
		S.C.	Solid Core
		SCHED.	Schedule
		SECT.	Section
		SERV.	Service
		S.G.	Safety Glass
		SHT.	Sheet
		SHTG.	Sheeting
		SIM.	Similar
		SL.	Slope
		S.M.	Sheet Metal
		SP.	Special
		SPEC.	Specifications
		SPR.	Spring
		SQ.	Square
		S.ST.	Stainless Steel
		STA.	Station
		STAG.	Staggered
		STD.	Standard
		STL.	Steel
		STOR.	Storage
		STRUC.	Structural
		SUSP.	Suspended
		SYM.	Symmetrical
		(T)	Toilet
		T.B.	Towel Bar
		TEL.	Telephone
		(T)	Tempered
		T. & G.	Tongue and Groove
		TH.	Threshold
		THK.	Thick
		T.O.	Top of
		T.O.P.	Top of Pavement
		T.O.W.	Top of Wall
		T.P.D.	Toilet Paper Dispenser
		T.V.	Television
		TYP.	Typical
		UNF.	Unfinished
		U.O.N.	Unless Otherwise Noted
		UTIL.	Utility
		V.C.T.	Vinyl Composition Tile
		VERT	Vertical
		V.I.F.	Verify in Field
		VIN.	Vinyl
		W.	West or Width
		W/.	With
		W.C.	Water Closet
		WD.	Wood
		W.H.	Water Heater
		W/O.	Without
		W.P.	Waterproof
		W.R.	Water Receptacle
		W.S.	Weather Stripping
		WT.	Weight
		W.W.M.	Welded Wire Mesh

SYMBOLS

	ELEVATION		RECESSED LUMINAIRE
	SECTION NUMBER		SURFACE MOUNTED FLUORESCENT
	NUMBER OF SHEET ON WHICH SECTION IS SHOWN		ROOM NUMBER
	DETAIL NUMBER		KEYNOTE NUMBER
	NUMBER OF SHEET ON WHICH DETAIL IS SHOWN		WALL MOUNTED LUMINAIRE
	INTERIOR ELEVATION NUMBER		CEILING MOUNTED LUMINAIRE
	NUMBER OF SHEET ON WHICH INTERIOR ELEVATION IS SHOWN		SWITCH
	INTERIOR ELEVATION NUMBER		THREE-WAY SWITCH
	NUMBER OF SHEET ON WHICH INTERIOR ELEVATIONS ARE SHOWN		SWITCHED OUTLET
	WINDOW NUMBER		OUTLET
	DOOR NUMBER		QUAD OUTLET
	REVISION NUMBER		SMOKE DETECTOR
	AREA OF REVISION		RECESSED EXHAUST FAN
	CEILING HEIGHT		PARTITION TYPE (SHEET A9.4)

LEGEND

	CONCRETE		GROUT		WOOD (FINISH)
	EARTH		INSULATION		WALL OR PARTITION
	GLASS		PLYWOOD		WALL TO BE DEMOLISHED
	GRAVEL		STEEL (FRAMING)		ONE-HOUR FIRE-RATED WALL

GENERAL NOTES

- All architectural, structural, and electrical work is shown, described or specified in the Architectural, Structural, Mechanical, and Electrical Drawings Indexed on this Sheet and as noted in this Drawing Set. All work shall be carried out in accordance with the following:
 - 2019 California Building Code (CBC) - based on the International Building Code
 - 2019 California Plumbing, Electrical, and Mechanical Codes (CPC/CEC, CMC)
 - 2019 California Energy Code and all current local codes and ordinances.
- Designs represented by these drawings are the property of the architect and are developed for use on this project only. These drawings and the designs they represent shall not be used by or disclosed to any person or firm outside the scope of this project without written permission from Robert Remiker Architect.
- The general conditions of the contract for the construction of buildings, published by the American Institute of Architects shall apply to and govern the work of this contract. A copy of the general conditions, although not bound herein, is available for review at the office of the Architect.
- All framing dimensions are to face of finish unless otherwise noted. Do not scale drawings. Written dimensions take precedence. All dimensions shall be field verified. It is the Construction Manager and/or Contractor's responsibility to field verify all dimensions and conditions before commencing construction. Notify the architect of any discrepancies between site conditions and these drawings for clarification and correction by the Architect. Construction Manager and/or Contractor shall be responsible for all costs incurred due to his failure to do so.
- Do not notch, bore or cut members for pipes, ducts or other reasons except as shown on drawings, or with specific approval in advance by Architect.
- Verify all dimensions where work involves framing for cabinets, windows, doors, or skylights.
- All exterior doors shall be weather stripped.
- Scope of Work: The scope of work for each division shall include all labor, materials, appliances, equipment and facilities necessary to do all of the work indicated in the drawings and specifications. Work shall include all demolition, patching and repair required to accommodate new construction. Construction Manager and/or Contractor shall supply all labor, materials, equipment and services of every kind, including water and power, necessary for the proper execution of the work shown on the drawings. Only work identified as not in contract (N.I.C.) or by Owner shall not be included in the scope of work.
- Shop drawings: Construction Manager and/or Contractor and subcontractors shall be responsible for submitting shop drawings to the architect for approval prior to proceeding with fabrication. Construction Manager and/or Contractor shall submit samples of all new finish materials to the architect for approval prior to installation or execution.
- Permits and inspections: the tenant shall pay for plan checking fees and building permits. Each contractor shall secure and pay for permits required for their work and for all inspections which may also be required. Testing and inspections: Construction Manager and/or Contractor shall arrange and pay for all testing and inspections required by applicable building codes, ordinances or directives of governing Building officials. The owner or architect may require testing of materials for conformance with the contract documents. The owner shall pay all costs for such testing if the tests indicate conformance. Construction Manager and/or Contractor shall pay costs when the testing indicates non-conformance.

CONSTRUCTION NOTES

- The existing conditions in the construction documents are based on site observation, and partial original plans supplied by Owners, building owners, and prior Architect to Robert Remiker Architect. Any discrepancies between these documents and the actual field conditions shall be brought to the attention of the Architect before proceeding with any work.
- When Construction Manager and/or Contractor accepts delivery of all items noted on plans whether in contract or not in contract, the Contractor shall be responsible for loss and/or Damage to these items.
- The Construction Manager and/or Contractor shall maintain, for the entire duration of the work, all exits, exit lighting, fire protection devices, and alarms in conformance with all applicable Codes and ordinances.
- Construction Manager and/or Contractor shall assess at time of bid, the condition of existing construction to remain. Any necessary upgrades, repairs, or replacement shall be included in the scope of work at that time. With prior approval of Owner and return of proper credit, existing Work scheduled for removal or replacement, which can be incorporated into the new scope, may be re-used.
- Demolition: remove all interior partitions, casework, store fronts, ceiling, finished flooring and all other items not used in new scheme.
- All saw cutting, coring and anchoring locations shall be reviewed in field by the Construction Manager and/or Contractor and coordinated with the landlord prior to the work. DO NOT CUT REBAR. If rebar is encountered, the work is to be relocated.
- "Typ." should mean that the condition is representative for similar conditions throughout, unless otherwise noted.
- Floor plan by Architect supersedes other plans. All dimensions marked "clear" shall be maintained and shall allow for thickness of all finishes including carpet, pad, ceramic tile, v.c.t., etc.
- Provide portable fire extinguisher(s) with U.L. label and a rating of not less than 2-a with 75 ft. travel distance to all positions of space or as directed by the fire department field inspector.
- Construction Manager and/or Contractor to coordinate all millwork, lighting and flooring shipments directly with Vendors.
- Construction Manager and/or Contractor to label electrical switches and thermostats as shown on elec. & mech. dwgs. 3/8" high letters min., white typeface typ. All label text styles to match.
- Construction Manager and/or Contractor shall be responsible for all costs required by these contract documents or by Government agencies with regard to inspections and testing.
- Construction Manager and/or Contractor shall provide and be responsible for all costs for public protection as required by the contract documents and local government agencies.
- Construction Manager and/or Contractor shall make no revisions, alterations, or changes to the work as shown in the contract documents without the prior written approval of the Architect.
- Construction Manager and/or Contractor shall provide the building official with a certificate of construction compliance and with energy conservation standards upon final building department inspection.
- Construction Manager and/or Contractor shall provide access panels for all trades as required by code. Locations to be approved by Architect prior to execution of work.
- Combustible materials used for construction in this space must be stamped as fire-rated. Field applied treatments to combustible materials are not permitted.
- Construction Manager and/or Contractor will provide an on-site superintendent for the duration of the project
- All work, materials, and equipment shall be guaranteed for a minimum period of one year from date of final acceptance. Construction Manager and/or Contractor shall provide the tenant with all equipment manuals, warranties and operating instructions upon final acceptance.
- The Construction Manager and/or Contractor shall be responsible for coordinating with landlord on all work to be performed by the landlord. Any potential conflicts or delays caused by the landlord's subcontractors must be documented in writing to the Architect and the tenant before the delay is actually incurred for it to be considered. Otherwise the Construction Manager and/or Contractor will be responsible for meeting the schedule as outlined in the contract.
- Construction Manager and/or Contractor shall supply all materials. Labor and coordination required for the installation of all tenant supplied items as described in the documents.
- Construction Manager and/or Contractor shall clean the site of all unnecessary debris prior to starting construction, and shall keep the site neat and clean at all times. Construction Manager and/or Contractor shall clean all doors, window glass, interior and exterior walls, ceiling and floors, as well as all installed items (fixtures) before vacating the premises and tenant move-in. Construction Manager and/or Contractor shall provide white glove professional cleaning prior to opening and be available to provide "touch-up" work.
- Construction Manager and/or Contractor shall patch and repair existing surfaces as necessary before applying new finishes. All soft, porous, flaking or otherwise defective finishes will be removed before application of new materials. Openings, voids, or unfinished surfaces created by removal or modification of existing work shall be filled or patched and finished as necessary to match existing continuous surfaces of new finishes required. Specifically, floor surfaces at entry shall be leveled to assure smooth surface for finish floor installation.

GREEN BUILDING NOTES

- Construction Waste Management: Contractor to comply with the City of Hayward Construction and Demolition Debris Waste Management Plan
- Recycling by Occupants: Provide adequate space and equal access for storage, collection and loading of compostable, recyclable and landfill materials per CGC 5.410.1
- Acoustical Control: Floor to Ceiling Assembly consists of 4" to 5" concrete slab with carpet tile. 4" Slab provided = STC 49. Minimum Required = STC 40. (National Bureau of Standards Test #808) Windows at storefront glazing have > 1/4" thick monolithic glass = 31 STC(Riverbank Acoustical Laboratories Test No. TL 95-169)
- Carpet: Carpets where used to meet NSF/ANSI 140 at the Gold level. Carpet proposed is a Modular Carpet product. No carpet pad proposed.
- Third party commissioning of HVAC and Lighting Systems to be performed as directed/contracted by Owner/Tenant.
- Paint products to be Zero VOC Cal Green Title 24 Part II compliant non-flat finish latex.
- VCT and LVT products where used to comply with FloorScore® Indoor Air Quality Certified to SCS-EC10.2-2007
- Composite wood products to comply with CA Air Resources Board TABLE 5.504.4.5 Formaldehyde PPM Emission limits as follows:
 - Hardwood plywood veneer core 0.05
 - Hardwood plywood composite core 0.05
 - Particle board 0.09
 - Medium density fiberboard 0.11
 - Indoor Water Efficiency: All Plumbing Fixtures and Fixtures to comply with State, City and County of Alameda Green Building Measures PRESCRIPTIVE Approach Flow Rates.
 - All Adhesives, Sealants and Caulks to comply with South Coast Air Quality Management District Rule 1168 VOC limits and California Code of Regulations Title 17 for aerosol paints. (13C.5.504.4.3), including the following:
 - Ceramic Adhesive, VOC limit (g/L less water = 50)
 - Ceramic Tile Adhesive, VOC limit (g/L less water = 65)
 - VCT Adhesive, VOC limit (g/L less water = 50)
 - Drywall Adhesive, VOC limit (g/L less water = 50)
 - Multipurpose Construction Adhesive, VOC limit (g/L less water = 70)

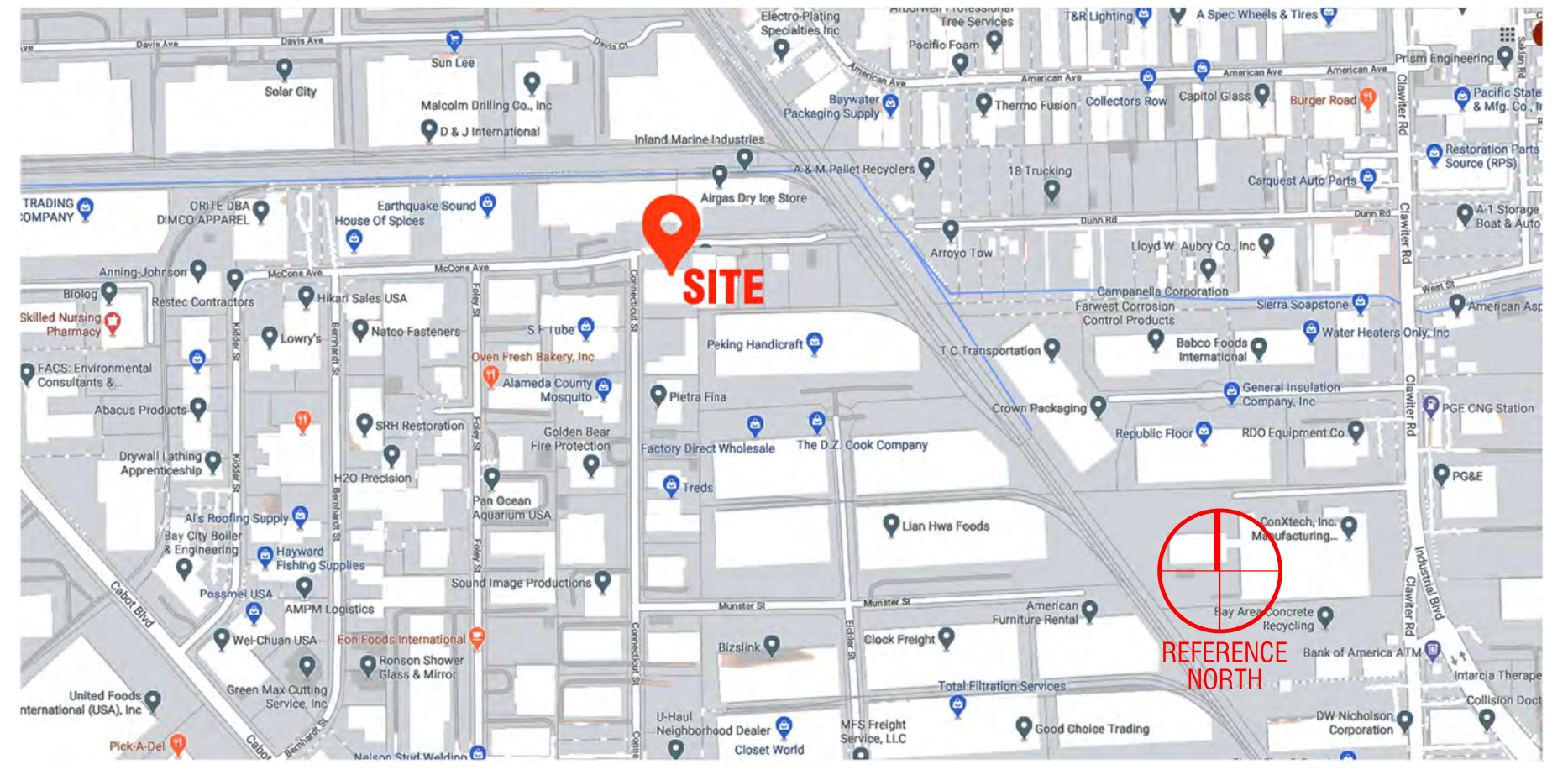
Always On Time Consulting

Conditional Use Permit

Project Description

ALTERATIONS OF EXISTING TENANT SPACE FOR CANNABIS RELATED ENTERPRISE - DELIVERY, DISTRIBUTION, AND MANUFACTURING.

LOCATION MAP



1943 Napa Avenue Berkeley CA 94707
(510) 644-8099 robert@remiker.com



Owner:
Always On Time Consulting
8 North San Pedro St
Suite 200
San Jose, CA 95110
Contact: Doug Chloupek
P. 408.667.9727

Alterations for:
Always On Time
23000 Connecticut St.
Unit #5
Hayward, CA 94545

Rev #	Description	Date:
△	Plan Check #1	11-16-2020
△	Plan Revisions	9-21-2022

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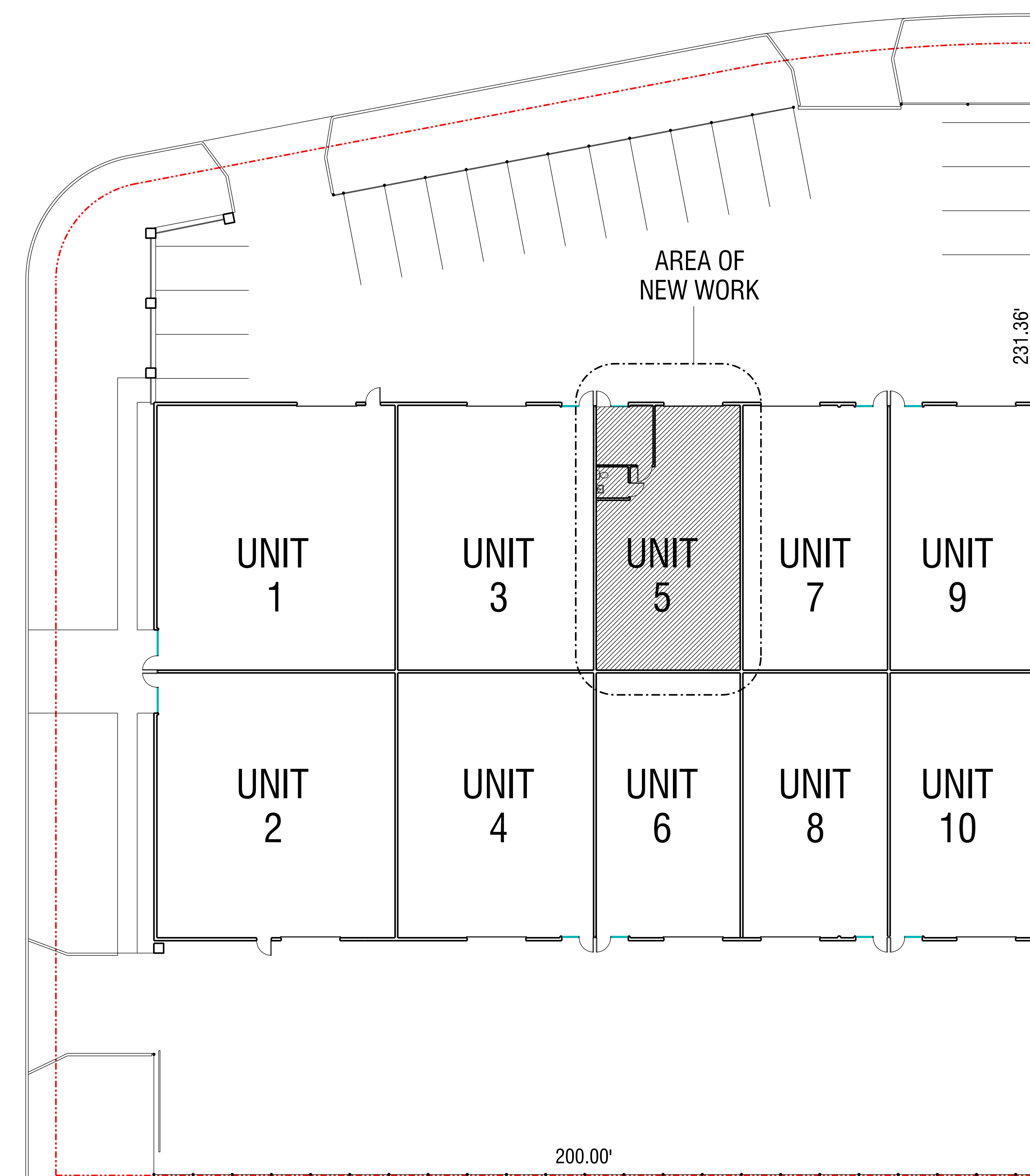
Sheet Title:
Index, Green Building Notes, Construction Notes, Symbols, Abbreviations and General Notes

Date:	02-21-2020
Scale:	AS NOTED
Drawn:	RR
Job:	2011

Sheet
A0.0
of Sheets



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Alterations for:
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23000 Connecticut St.
Unit #5
Hayward, CA 94545

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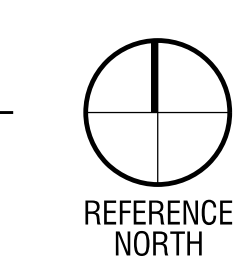
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Sheet Title:
Site Plan - Existing

Date: 02-21-2020
Scale: 1/16" = 1'-0"
Drawn: RR
Job: 2011
Sheet

A1.1
of Sheets

1 Site Plan - Existing
A1.1 Scale: 1/16" = 1'-0"





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Hayward, CA 94545

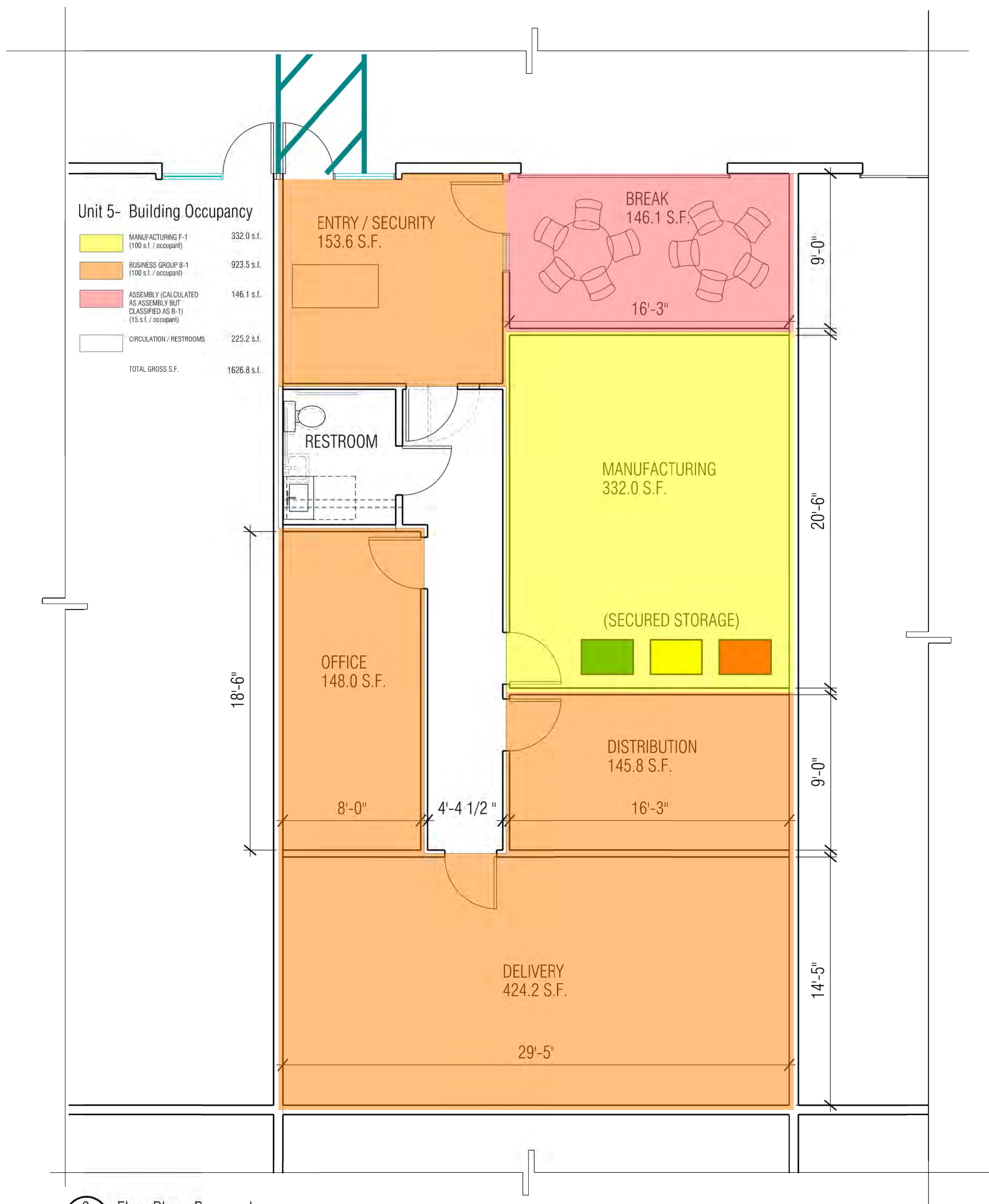
Rev #	Description	Date:
△	Plan Check #1	11-16-2020
△	Plan Revisions	9-21-2022

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Sheet Title:
**Site Plan &
Floor Plan -
Proposed**

Date: 02-21-2020
Scale: AS NOTED
Drawn: RR
Job: 2011
Sheet

A2.1
of Sheets

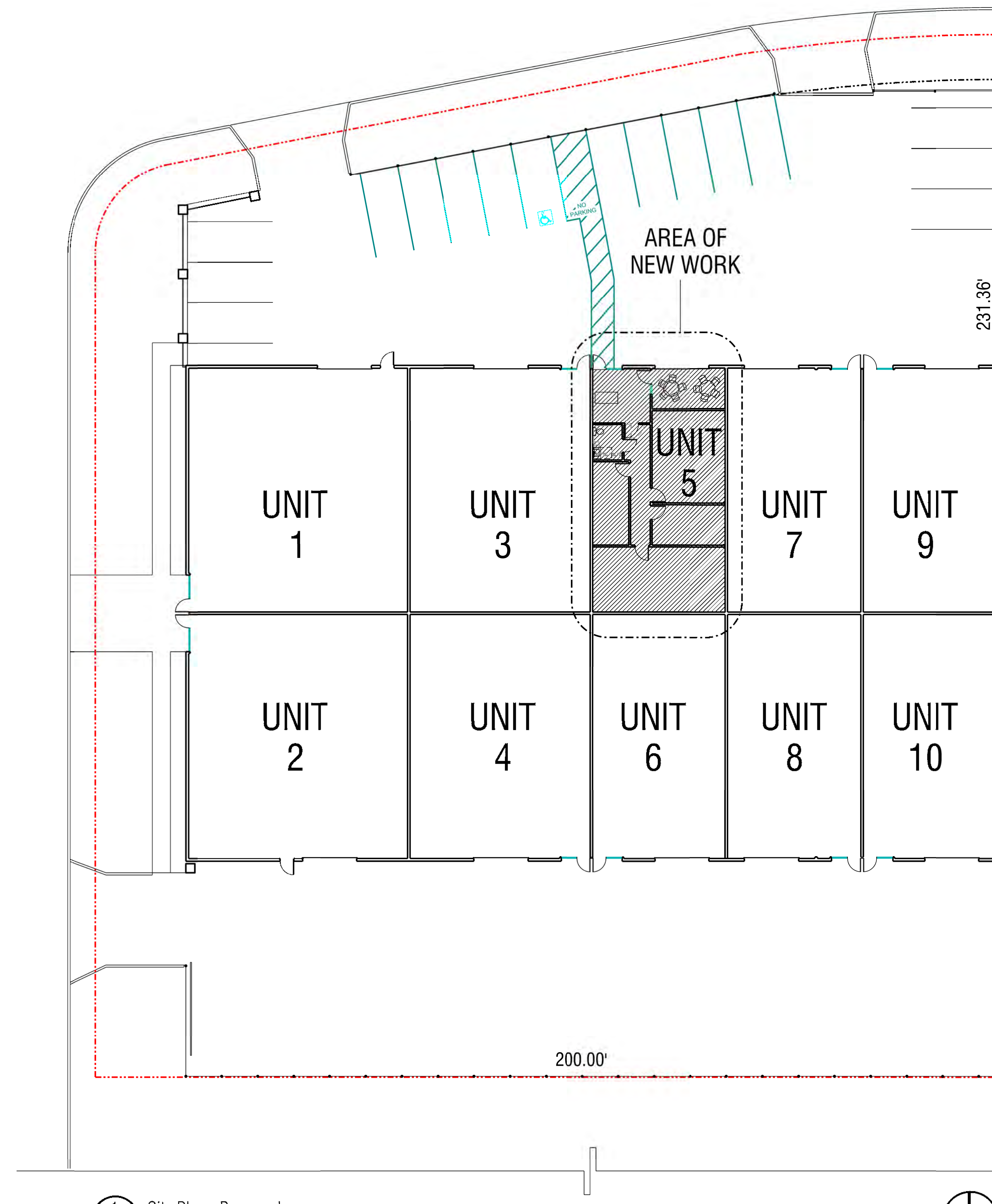


2
A2.1 Floor Plan - Proposed
Scale: 1/4"=1'-0"

Waste Management Legend

- GREEN: CULTIVATION, LAB EXPENT MATERIAL, PRE-ROLL WASTE - CANNABIS PLANT MATERIAL ONLY
- YELLOW: DAMAGED OIL PRODUCTS (VAPE BATTERIES, OIL+BATTERY, ANY OIL CONTAINING PRODUCT WASTE)
- RED: ETHANOL OR OTHER SOLVENT WASTE

GREEN: CULTIVATION, LAB EXPENT MATERIAL, PRE-ROLL WASTE - CANNABIS PLANT MATERIAL ONLY



1
A2.1 Site Plan - Proposed
Scale: 1/16"=1'-0"





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Alterations for:
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23000 Connecticut St.
Unit #5
Hayward, CA 94545

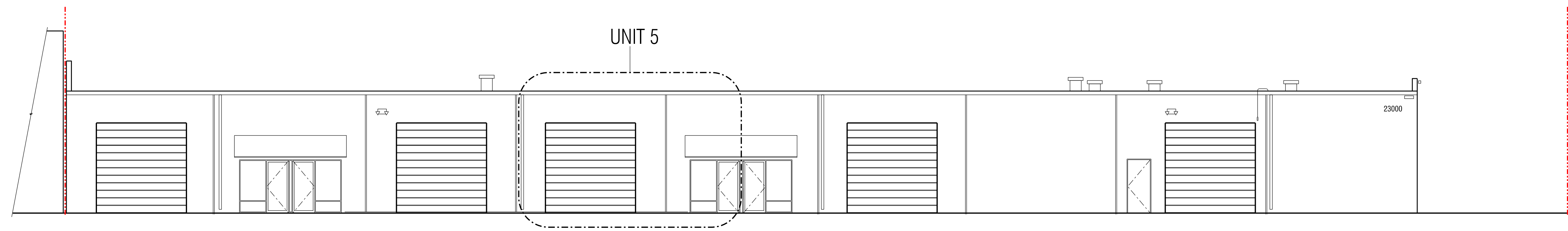
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△	Plan Check #1	11-16-2020
△	Plan Revisions	9-21-2022

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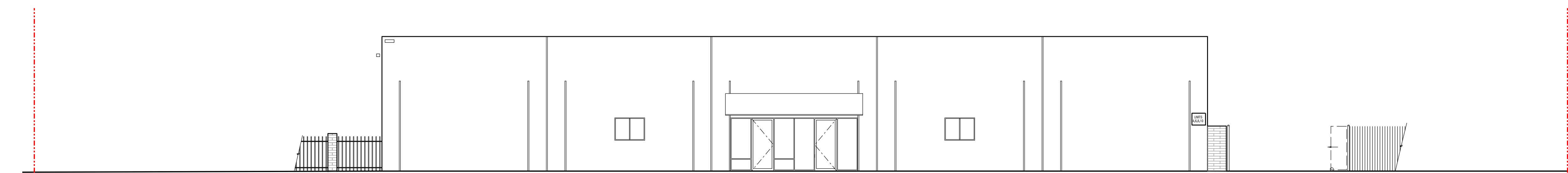
Sheet Title:
Exterior Elevations and Photos

Date: 02-21-2020
Scale: 1/16" = 1'-0"
Drawn: RR
Job: 2011
Sheet

A3.1
of Sheets



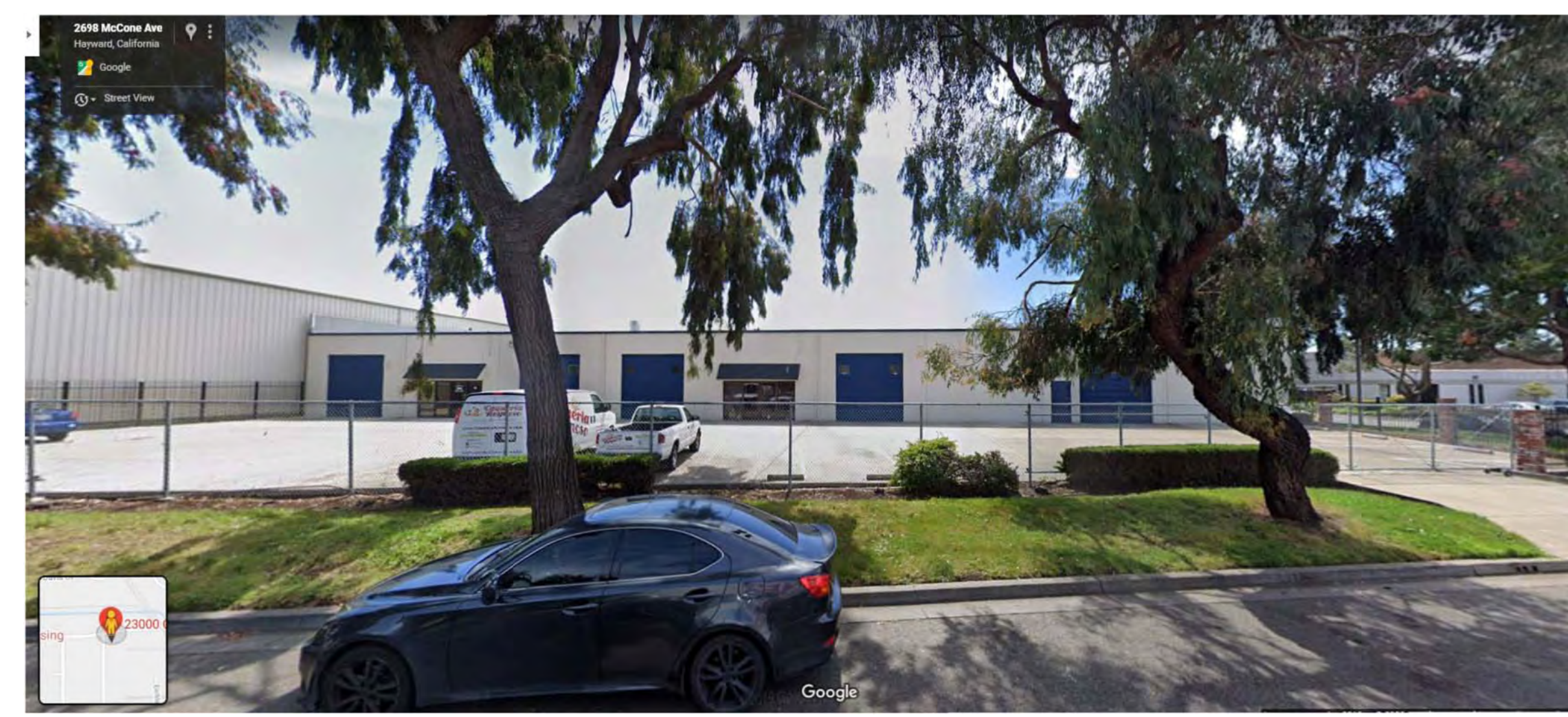
1 North Elevation
A3.1 Scale: 1/16" = 1'-0"



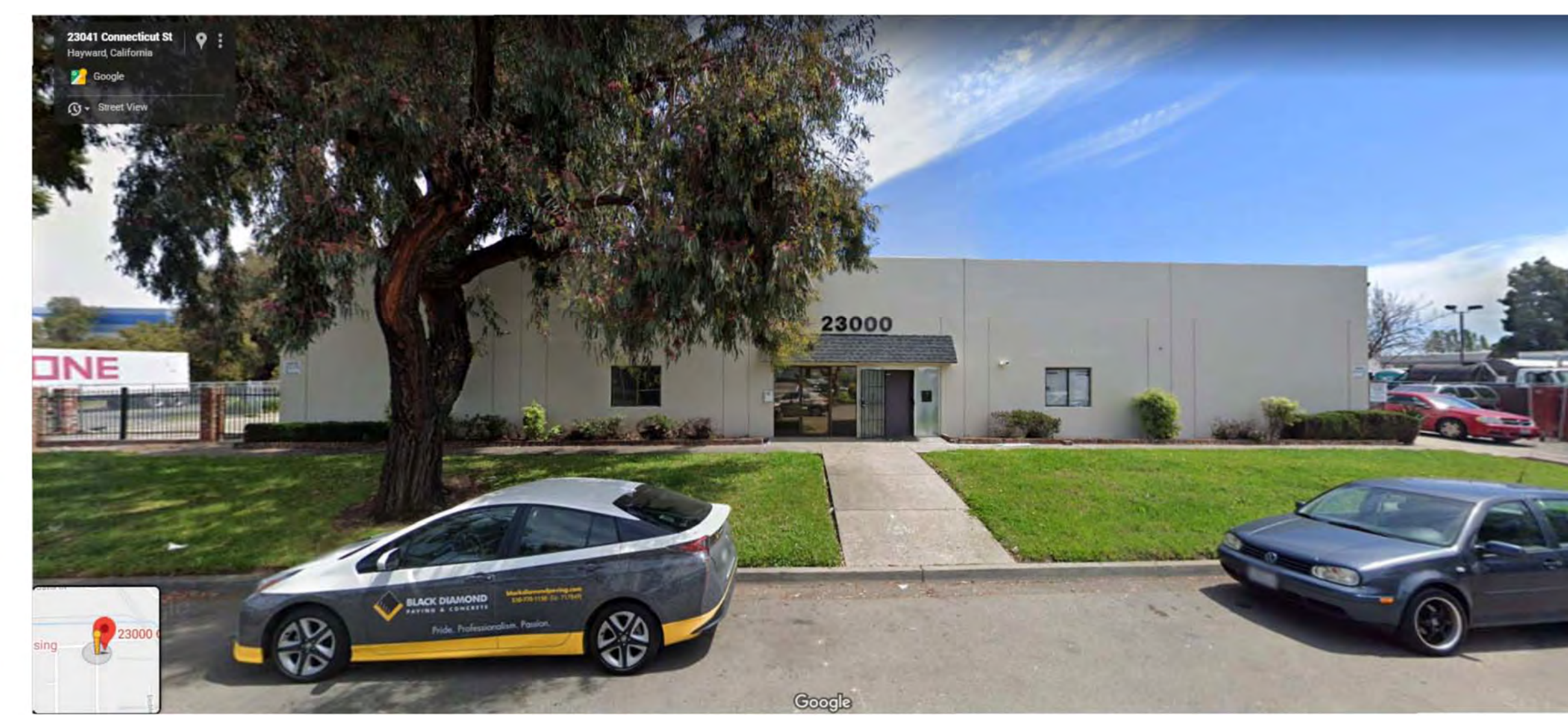
2 West Elevation
A3.1 Scale: 1/16" = 1'-0"



3 South Elevation
A3.1 Scale: 1/16" = 1'-0"



4 North Elevation Google Maps Photo
A3.1 Scale: NTS



5 West Elevation Google Maps Photo
A3.1 Scale: NTS

NOTE: NO EXTERIOR WORK. EXISTING EXTERIOR ELEVATIONS TO REMAIN UNCHANGED

ALWAYS ON TIME CONSULTING, INC.

Business and Operations Plan

This is the written Business and Operations Plan for ALWAYS ON TIME CONSULTING, INC. (hereinafter sometimes referred to as “We”, “Us”, “Our”, or “Cannabis Business”). This plan addresses and meets the requirements of *Chapter 6, Article 14 of the City of Hayward Municipal Code, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), California Code of Regulations Title 3, Division 8, Chapter 1; Title 16, Division 42; and Title 17, Division 1, Chapter 13*, and any other state and local laws as applicable.

INTRODUCTION

Always on Time Consulting, Inc. is an innovative and integrative precision cannabis manufacturing, distribution and retail (delivery only) company that will develop intellectual property, patent formulation, and trade secrets using cannabis and other organic plant compounds.

Our core mission is to improve the quality of life of patients enduring debilitating symptoms of serious illnesses such as cancer, epilepsy, multiple sclerosis, autism, chronic pain, PTSD as well as collateral toxicities (side effects) of required therapies for a given condition. Research, largely from outside of the United States due to U.S regulatory restrictions, suggests significant improvements in symptomatology with the use of cannabis for neuropathy, pain, seizures, loss of appetite, nausea, sleep improvement, and inflammation. In 2017, the National Cancer Institute published limited guidance on the use of cannabis for medical conditions. However, little information on effective formulations and dosing is available and most medical patients now rely on “trial and error” to find products and the proper dosing to manage their symptoms. This current “trial and error” approach is costly for patients, not only in the time it takes to obtain symptom relief, but also impact on financial resources that are often already strained from the impact of living with their condition.

We are pioneering cannabis research company founded with a strong belief that cannabinoids will change modern medicine for the better.

There are multiple gaps that exist for patients to access “precision cannabis”: the right medicine, to the right patient, at the right dose and at the right time. Our experienced and highly skilled team has broad expertise to maximize potential including innovative drug development, clinically relevant research, safe high-quality high-tech manufacturing, scalable order fulfillment, as well as retail and clinic-based operations.

Always on Time Consulting will leverage its diverse experience and early mover advantage to play a leadership role in the emerging cannabinoid therapeutics health sector. When fully operational, Always on Time Consulting plans to be vertically integrated.

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GENERAL OPERATIONS

The Facility

The premises will be kept in a condition that prevents the contamination of components and cannabis products. The methods for adequate maintenance of the grounds will include at minimum:

1. The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass within the immediate vicinity of the facility so that the premises will not constitute an attractant, breeding place, or harborage for pests.
2. The proper maintenance of roads, yards, and parking lots so that these areas will not constitute a source of contamination in areas where cannabis products are handled or transported.
3. The provision of adequate draining areas in order to prevent contamination by seepage, foot-borne filth, or the breeding of pests due to unsanitary conditions.
4. The provision and maintenance of waste treatment systems so as to prevent contamination in areas where cannabis products may be exposed to such a system's waste or waste by-products.
5. If the grounds of the facility are bordered by grounds outside the licensee's control that are not maintained in the manner described in subsections (a) through (d) of this section, inspection, extermination, and other reasonable care will be exercised within the cannabis manufacturing facility in order to eliminate any pests, dirt, and/or filth that pose a source of cannabis product contamination.

Projected Customer-Base

Always on Time Consulting, Inc. has multiple revenue streams, including sales of bulk oil, extraction services and contract manufacturing, retail sales (delivery only), and sale of cultivated cannabis.

We will derive 45% of our revenue from manufactured oil/products; 40% of our revenue from services including white labeling, etc.; and 15% of our revenue from retail sales.

We strongly believe that it can create long-term value for all stakeholders, including the City of Hayward, employees, shareholders and consumers who rely on consistent, safe, effective and affordable cannabis products. By continuously enhancing its processes and by sourcing out like-

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minded suppliers and partners, Applicant believes that it can lower the cost of its products and pass the cost savings to its clients.

Proposed Marketing Plan

We have a dedicated marketing team. Our team has a robust 2018 marketing plan what included PPC advertising on Google ad words, strategic ad placement on Leafly and Weedmaps along with enhanced listing on both sites.

We have a list of California based trade shows that we will be attending to further promote our brand. We have a full time brand ambassador that works with the distribution team to set up instore demos and showcase our products to new consumers at licensed dispensaries. In addition, we have print advertisements planed with Dope Magazine, Culture Magazine and High Times.

Strategic Partnership

A strategic partnership is very critical to our go to market strategy. We will cultivate strategic partnerships with industry leaders who seek to manufacture high quality cannabis products.

Product Pricing

California currently enjoys one of the highest prices per product premiums in the country. Understanding that the principle of “PPP”, Product, Price, and People will drive this sector as it does every consumer marketing sector. The goal will be to provide the best product at an affordable price, while providing excellent customer service.

Brand Recognition

We will focus on creating popular branding, development of distribution networks, and consistent product formulations which will help draw clients to recognize an expected quality and safety control under our company name.

We have a list of California based trade shows that we will be attending to further promote our brand. We have a full time brand ambassador that works with the distribution team to set up instore demos and showcase our products to new consumers at licensed dispensaries. In addition, we have print advertisements planed with Dope Magazine, Culture Magazine and High Times.

Hours of Operation

Our microbusiness facility will be open twenty-four hours a day, however, our delivery facility will only sell and deliver cannabis goods between the hours of 6:00 a.m. Pacific Time and 10:00 p.m. Pacific Time, or as allowed pursuant to the Conditional Use Permit granted by the City of Hayward.

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Facility Access

Access to the facility will be controlled as set forth in the Safety and Security Plan submitted herewith.

Specialized Equipment

Below is a list of equipment that will be used at our facility:

- Rosin Press
- Packaging machines

Frequency of Deliveries

As we will be operating a Microbusiness Facility, we anticipate having deliveries of supplies and bulk cannabis and cannabis products to occur approximately 5-10 times per week. As set forth in the Safety and Security Plan, measures will be taken to ensure that all deliveries to the premises are done in a safe and secure manner so as to prevent diversion and/or theft.

Energy Use Management

Renewable Energy

Beginning January 1, 2023, we will ensure that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required of their local utility provider pursuant to *Public Utilities Code §399.11*. As evidence of meeting the standard, we will comply with the following:

1. If our average weighted greenhouse gas emission intensity is greater than the local utility provider's greenhouse gas emission intensity, we will provide evidence of carbon offsets or allowances from any of the following sources to cover the excess in carbon emissions from the previous annual licensed period:
 - a. Allowances purchased from California Cap and Trade Auctions. Any currently acceptable vintages are allowed pursuant to section 95910 of the Public Utilities Code
 - b. Offsets purchased from Offset Project Registry System used for the California Cap and Trade Program, pursuant to section 95981 of the Public Utilities Code.
 - c. Offsets purchased from California Air Pollution Control Officers Association California-based Greenhouse Gas Credit Exchange.

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2. New licensees, without a record of weighted greenhouse gas emissions intensity from the previous calendar year, shall report the average weighted greenhouse gas emissions intensity used during their licensed period at the time of license renewal. If our average weighted greenhouse gas emissions intensity is greater than the local utility provider's greenhouse gas emissions intensity for the most recent calendar year, the licensee shall provide evidence of carbon offsets or allowances to cover the excess in carbon emissions from any of the sources as required by law.

Packaging and Labeling of Cannabis and Non-Manufactured Cannabis Products

The Cannabis Business will package and/or label all cannabis and non-manufactured cannabis as follows:

1. All applicable requirements including implementing regulations pursuant to *Business and Professions Code §§26070, 26120 and 26121*.
2. Any other requirements for cannabis and non-manufactured cannabis product specified by the bureau and the California Department of Public Health.
3. Packaging and labeling requirements pursuant to *Business and Professions Code §12601, et. seq.*

A label may specify the county of origin only if one hundred percent (100%) of the cannabis or non-manufactured cannabis product contained in the package was produced within the designated county, as defined by finite political boundaries.

General Environmental Protection Measures

We will comply with all of the following environmental protection measures:

1. Compliance with *Water Code §13149* as implemented by the State Water Resources Control Board, Regional Water Quality Control Boards or California Department of Fish and Wildlife.
2. Compliance with any conditions requested by the California Department of Fish and Wildlife or the State Water Resources Control Board under *Business and Professions Code §26060.1(b)(1)*.
3. All outdoor lighting used for security purposes shall be shielded and downward facing.
4. *Health and Safety Code §7050.5* if human remains are discovered.
5. Requirements for generators pursuant to *Code of Regulations, Title 3, Division 8, Chapter 1, §8306*.

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6. Compliance with pesticide laws and regulations as enforced by the Department of Pesticide Regulation pursuant to *Code of Regulations, Title 3, Division 8, Chapter 1, §8307*.

Generator Requirements

We do not currently use a generator, however, if we decide to use a generator (a stationary or portable compression ignition engine pursuant to *California Code of Regulations Title 17, Division 3, Chapter 1, Subchapter 7.5, §93115.4*) rated at fifty (50) horsepower and greater, then we will demonstrate compliance with Airborne Toxic Control Measures pursuant California Code of Regulations Title 17, Division 3, Chapter 1, Subchapter 7.5, §§93115-93115.5. Compliance will be demonstrated by providing a copy of one of the following to the department upon request:

1. A Portable Equipment Registration Certificate provided by the California Air Resources Board, or;
2. A Permit to Operate obtained from the Local Air District with jurisdiction over the licensed premises.

If we decide to use a generator (a stationary or portable compression ignition engine pursuant to *17 CCR §93115.4*) rated below fifty (50) horsepower, then it will comply with the following by 2023:

1. Designate the generator as emergency or low use as defined in *17 CCR §§93116.2(a)(12)-93116.2(a)(22)*
2. Either:
 - a. Meet Tier 3 with level 3 diesel particulate filter requirements pursuant to *13 CCR §2423*; or
 - b. Meet Tier 4 engine requirements pursuant to *13 CCR §2702*.

All generators shall be equipped with non-resettable hour-meters.

Sales Invoice or Receipt Requirements

The Cannabis Business will prepare a sales invoice or receipt for every sale, transport, or transfer of cannabis or non-manufactured cannabis product to another licensee. Sales invoices and receipts may be retained electronically but must be readily accessible for examination by the department, other state licensing authorities, any state or local law enforcement authority, and the California Department of Tax and Fee Administration (CDTFA).

Each sales invoice or receipt shall include all the following:

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1. Name, business address, and department issued license number of the seller;
2. Name, business address, and department issued license number of the purchaser;
3. Date of sale or transfer (month, day and year). The date of any sale or transfer of cannabis and non-manufactured cannabis products shall be the date of transfer to we receive it;
4. Invoice or receipt number;
5. Weight or quantity of cannabis and non-manufactured cannabis products sold;
6. Cost to the purchaser, including any discount applied to the total price, shall be recorded on the invoice.
7. Description for each item including strain or cultivar, and all of the applicable information below:
 - a. Plant;
 - b. Flower;
 - c. Leaf;
 - d. Shake
 - e. Kief; and
 - f. Pre-rolls.
8. Signature of the seller, or designated representative of the seller, acknowledging accuracy of the cannabis and non-manufactured cannabis products being shipped.
9. Signature of the purchaser, or designated representative of the purchaser, acknowledging receipt or rejection of the cannabis or non-manufactured cannabis products.

MANUFACTURING OPERATIONS

Manufacturing Area

The manufacturing area consists of the Manufacturing room.

All of the surfaces of the space will be cleanable non-porous materials on the ceiling, walls and floor. The room will be supplied with HEPA air filtration with temperature control and humidity monitoring. The majority of process piping and electrical utilities will be mounted on ceiling service panels (CSP). These CSPs will have twist lock connections for the electrical cables and quick disconnects for the gases and water required for the manufacturing equipment. All equipment weighing more than 400 lbs., or a center of gravity in excess of 42” will be seismically braced.

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The manufacturing process(es) consist of using raw materials (e.g. (1) active ingredients – cannabis extracts and plant materials; and (2) non-active ingredients – excipients, food grade flavor additives and colorants, binding agents and stabilizers) to produce various cannabis goods (e.g. edibles, soft-gel capsules, transdermal patches, oral film stops, inhalers, suppositories, etc.). We will use various techniques to make these goods including, but not limited to blending, grinding, extracting, emulsifying, heating, cooling, filtering and purifying of the product. After the products are manufactured, they will be properly packaged using specialized packaging equipment for, among other things, encapsulation, blister packs, labeling, capping, shrink wrapping and boxing.

The manufacturing area is designed to have different process equipment used to make various products with a semi-automated production lineup. All manufacturing equipment shall be made of food grade materials that are easily cleanable between batches, or single use disposables. All manufacturing processes will follow a strict quality control process with calibrated instrumentation to weigh and dispense and flow materials through the various equipment.

Manufacturing Processes

Grinding

Grinding is the process of shredding cannabis allowing for us to collect the trichomes (also known as kief). By grinding the cannabis before further processing, we are able to prevent the trichomes from being damaged. Additionally, grinding the cannabis allows us to maintain the quality and potency of our cannabis. The grinding will take place in the Manufacturing Room. We may use the kief to make pre-rolls or have it further processed in the extraction area.

Pre-Rolls

Ground cannabis (kief) will be used to make pre-rolls as it results in a cleaner and more consistent pre-roll. Pre-rolls will be made in the Manufacturing Room.

Extraction

Extraction is the process of obtaining the cannabis oil from the plant. There are many ways to extract the oil from the plant. We will use a rosin press. After extraction, we will have raw cannabis rosin. The extraction will take place in the Manufacturing Room.

Production

Production includes manufacturing concentrated cannabis oil (after extraction) and using those oils to make various cannabis products. These cannabis products may include packaged rosin, pre-rolls, and/or any other product allowed for by law. Production will occur on specialized, UL listed equipment as applicable. Production will take place in the Manufacturing room.

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Packaging and Labeling

Packaging and labeling is where we will properly package and label all cannabis products in conformance with the law and as set forth below. As required, all products will be in tamper-evident and child-resistant packaging. Packaging will take place in the Manufacturing Room.

Tamper-Evident

Tamper-evident packaging is packaging that allows a consumer to know if the package has been opened. Examples include a plastic seal, a sticker across the lid that is ripped when opened, a jar with a lid that pops up after opening, etc.

Child-resistant

Child-resistant packaging is any package that have been certified as child-resistant, in accordance with the federal Poison Prevention Packaging Act (PPPA, 16 CFR §1700.1), a bottle sealed with a pry-off metal crown bottle cap, or plastic packaging that is at least 4 mils. thick and heat-sealed without an easy-open tab, dimple, corner or flap.

All flower, flower-only pre-rolls, inhaled concentrates (infused pre-rolls, vape cartridges, shatter, wax, etc.), topicals, and single-serving cannabis product will be placed in single use (“Initial CRP”) packaging which is packaging that is initially child-resistant, but once opened, it is no longer child-resistant. The package’s label will say “This package is not child-resistant after opening.”

All edibles, orally-consumed concentrates (tinctures, capsules, etc.), and suppositories will be placed in multiple use (“Lifetime CRP”) packaging that which maintains its child-resistance throughout the life of the package such that it can be opened and closed repeatedly and remain still remains child-resistant. If each individual serving is in child-resistant packaging, then the entire package need not be in a multiple use package.

Storage

The non-active ingredients are purchased and tested prior to use and are traced using lots as well. The active and non-active ingredients are stored in a restricted access area. Manufacturing is strictly followed, with raw ingredients weighed and measured for release. When the products are processed and packaged, each finished lot will undergo quality inspections and testing for purity and efficacy. It will be put back into the secure storage and be ready to be sent to distribution.

Construction and Design

We understand that the construction and design of our manufacturing facility is important to ensure that products manufactured in our facility are done so in a safe and sanitary manner. To that effect, our facility:

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1. Provides adequate space for such placement of equipment and storage of materials as is necessary for maintenance, sanitary operations, and the production of safe cannabis products.
2. Takes precautions to reduce the potential for allergen cross-contact and for contamination of cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials by microorganisms, chemicals, filth, and other extraneous material.
3. Takes precautions to protect product ingredients in installed outdoor bulk vessels by any effective means, including:
 - (a) Using protective coverings.
 - (b) Controlling areas over and around the vessels in order to eliminate harborages for pests.
 - (c) Checking such vessels on a regular basis for pests and pest infestation.
4. Is constructed in such a manner that floors, walls, and ceilings are adequately cleaned and kept clean and in good repair
5. Is constructed in such a manner that drip or condensate from fixtures, ducts and pipes does not contaminate cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials.
6. Is constructed in such a manner so as to provide adequately wide and unobstructed aisles or working spaces between equipment and walls that permit employees to both perform their duties and protect against the contamination of cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials via clothing or personal contact.
7. Provides adequate lighting in hand-washing areas, dressing and locker rooms, and toilet facilities, in all areas where components or cannabis products are examined, manufactured, processed, packed, or held, and in all areas where equipment or utensils are cleaned.
8. Provides shatter-resistant light bulbs, fixtures, skylights, and/or other shatter-resistant glass fixtures in all areas where glass breakage may result in the contamination of exposed cannabis, components or products at any step of preparation.
9. Provides adequate ventilation or control equipment to minimize dust, odors and vapors (including steam and noxious fumes) in areas where they may cause allergen cross-contact or contamination of cannabis products; and locate and operate fans and other air-blowing equipment in a manner that minimizes the potential for allergen cross-contact and contamination of cannabis products, cannabis product-packaging materials, and cannabis product-contact surfaces.

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10. Provides, where necessary, adequate screening or other protection against pests.

Sanitary Facilities and Controls

Our facility will be equipped with adequate sanitary accommodations as follows:

1. Water supply - our water supply is adequate for the operations intended and derived from an adequate source. Any water that contacts cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials will be safe and of adequate sanitary quality. Running water at a suitable temperature, and under pressure as needed, will be provided in all areas where required for the processing of cannabis products, for the cleaning of equipment, utensils, and cannabis product- packaging materials, and/or for employee sanitary facilities.
2. Plumbing - plumbing systems are of adequate size and design and are adequately installed and maintained in order to:
 - (a) Carry adequate quantities of water to required locations throughout the manufacturing facility.
 - (b) Properly convey sewage and liquid disposable waste from the facility.
 - (c) Avoid the creation of unsanitary conditions and/or contamination to cannabis products, water supplies, equipment, or utensils.
 - (d) Provide adequate floor drainage in all areas where floors are subject to flooding-type cleaning or where normal operations release or discharge water or other liquid waste on the floor.
 - (e) Provide that there is not backflow from, or cross-connection between, piping systems that discharge wastewater or sewage, and piping systems that carry water for cannabis products or cannabis product manufacturing.
3. Sewage disposal - sewage is disposed of into an adequate sewerage system or through other adequate means.
4. Toilet facilities – we provide employees with adequate, readily accessible toilet facilities. Toilet facilities will be kept clean and will not pose a potential source of contamination of cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials.
5. Hand-washing facilities – we provide hand-washing facilities designed to ensure that an employee's hands do not pose a source of contamination to cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials. Hand-washing facilities will be adequate, convenient, and furnish running water of at least 100° F (30° C).
6. Garbage disposal – garbage is conveyed, stored, and disposed of so as to minimize the development of odor, minimize the potential that waste will attract, harbor, or otherwise

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contribute to the breeding of pests, and protect against the contamination of cannabis products, cannabis product-contact surfaces, cannabis product- packaging materials, water supplies, and ground surfaces.

Sanitary Operations

We understand the importance of a sanitary manufacturing facility and operating procedures. To that effect, we will ensure the following:

1. Buildings, fixtures, and other physical facilities on the premises are maintained in a clean and sanitary condition and are kept in good repair so as to prevent cannabis products from becoming adulterated.
2. The cleaning and sanitization of utensils and equipment is conducted in a manner that protects against allergen cross-contact and contamination of cannabis products or product components, cannabis product-contact surfaces, or cannabis product-packaging materials.
3. Cleaning compounds and sanitizing agents used in cleaning and sanitizing procedures are free from undesirable microorganisms and are safe and adequate under conditions of use. Only the following toxic materials will be used or stored in a manufacturing facility where cannabis products are process or exposed:
 - (a) Those required to maintain clean and sanitary conditions;
 - (b) Those necessary for facility and equipment maintenance and operation; and
 - (c) Those necessary for use in the cannabis manufacturing facility's operations.
4. Toxic cleaning compounds, sanitizing agents, and pesticide chemicals are identified, held, and stored in a manner that protects against contamination of product components, cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials.
5. Effective measures are taken to exclude pests from the cannabis manufacturing facility in all areas where cannabis components and/or products may be at risk of contamination by pests. The use of pesticides to control pests in the cannabis manufacturing facility is permitted only under precautions and restrictions that protect against the contamination of cannabis products, cannabis product-contact surfaces, and cannabis product-packaging materials.
6. All cannabis product-contact surfaces including utensils and equipment are cleaned as frequently as necessary to protect against allergen cross-contact and contamination of cannabis products.
7. Cannabis product-contact surfaces used for manufacturing, processing, packing or holding low-moisture cannabis products will be maintained in a clean, dry, and sanitary condition before use. When such surfaces are wet-cleaned, they will, when necessary,

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be sanitized and thoroughly dried before subsequent use.

8. When cleaning is necessary to protect against allergen cross-contact or the introduction of microorganisms into cannabis products during wet processing, all cannabis product-contact surfaces will be cleaned and sanitized before use and after any interruption during which cannabis product-contact surfaces may have become contaminated. Where equipment and utensils are used in a continuous production operation, our surfaces will be cleaned and sanitized as necessary.
9. Single-service articles (such as utensils intended for one-time use, paper cups, and paper towels) are stored, handled, and disposed of in a manner that protects against allergen cross-contact and contamination of cannabis product, cannabis product-contact surfaces, or cannabis product-packaging materials.
10. The non-cannabis product-contact surfaces of equipment used in the cannabis manufacturing facility are cleaned in a manner and as frequently as necessary to protect against allergen cross-contact and contamination of cannabis products, cannabis product-contact surfaces, and cannabis product-packaging materials.
11. Cleaned and sanitized portable equipment with cannabis product-contact surfaces and utensils are stored in a location and manner that protects cannabis product-contact surfaces from allergen cross-contact and contamination.

Production and Process Controls

Appropriate quality control operations will be employed to ensure that cannabis products are suitable for human consumption or use, and that cannabis product-packaging materials are safe and suitable. Overall sanitation of the premises will be under the supervision of one or more competent individuals assigned responsibility for this function. Adequate precautions will be taken to ensure that production procedures do not contribute to allergen cross-contact and to contamination from any source. Chemical, microbial, or extraneous-material testing procedures will be used where necessary to identify sanitation failures or possible allergen cross-contact and cannabis product contamination. Any cannabis product that has become contaminated to the extent that it is adulterated will be rejected, or if appropriate, treated or processed to eliminate the contamination, as determined by a qualified individual.

Manufacturing Operations

We will follow manufacturing operation procedures including:

1. All cannabis product manufacturing will be conducted under such conditions and controls as are necessary to minimize the potential for the growth of microorganisms, allergen cross-contact, contamination of cannabis products, and deterioration of cannabis products.

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2. Cannabis products capable of supporting the rapid growth of undesirable microorganisms will be held at temperatures that prevent the cannabis product from becoming adulterated during manufacturing, processing, packing and holding.
3. Measures such as sterilizing, irradiating, pasteurizing, cooking, freezing, refrigerating, controlling pH, or controlling water activity that are undertaken to destroy or prevent the growth of undesirable microorganisms will be adequate under the conditions of manufacture, handling, and transfer to prevent the cannabis product from being adulterated. For purposes of this chapter, “water activity” (aw) is a measure of the free moisture in a manufactured cannabis product and is the quotient of the water vapor pressure of the substance divided by the vapor pressure of pure water at the same temperature.
4. Work-in-process will be handled in a manner that protects against allergen cross-contact, contamination, and growth of microorganisms.
5. Effective measures will be taken to protect finished cannabis products from allergen cross-contact and from contamination by raw materials, other ingredients, rejected components, or refuse. When raw materials, other ingredients, or refuse are unprotected, they will not be handled simultaneously in a receiving, loading or shipping area if such handling could result in allergen cross-contact or contaminated cannabis products. Cannabis products transported by conveyer will be protected against allergen cross-contact and against contamination as necessary.
6. Equipment, containers, and utensils used to convey, hold, or store raw materials and other ingredients, work-in-process, or other cannabis products will be constructed, handled, and maintained during manufacturing, processing, packing, and holding in a manner that protects against allergen cross-contact and contamination.
7. Adequate measures will be taken to protect against the inclusion of metal or other extraneous material in cannabis products.
8. Adulterated cannabis products, raw materials, or other ingredients will be either:
 - (a) Disposed of in a manner that protects against the contamination of other cannabis products or ingredients; or
 - (b) Reprocessed, if appropriate, using a method that has been proven to be effective and subsequently reexamined and found to be unadulterated.
9. Steps such as washing, peeling, trimming, cutting, sorting and inspecting, mashing, dewatering, cooling, shredding, extruding, drying, whipping, defatting, and forming will be performed so as to protect cannabis products against allergen cross-contact and contamination. Cannabis products will be protected from contaminants that may drip, drain, or be drawn into the cannabis product.
10. When required in the preparation of cannabis products capable of supporting microbial

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growth, heat blanching will be affected by heating the cannabis product to the required temperature, holding that temperature for the required amount of time, and then either rapidly cooling the cannabis product or passing it to subsequent manufacturing without delay. Growth and contamination by thermophilic microorganisms in blanchers will be minimized by the use of adequate operating temperatures and by periodic cleaning and sanitization as necessary.

11. Batters, breadings, sauces, gravies, dressings, dipping solutions, and other similar preparations that are held and used repeatedly over time will be treated or maintained in such a manner that they are protected against allergen cross-contact and contamination, and in a manner that minimizes the potential growth of undesirable organisms.
12. Filling, assembling, packaging, and related operations will be performed in such a way that the cannabis product is protected against allergen cross-contact, contamination and growth of undesirable microorganisms.
13. Cannabis products that principally rely on the control of water activity (aw) for preventing the growth of undesirable microorganisms (such as dry mixes, nuts, intermediate moisture cannabis products, and dehydrated cannabis products) will be processed and maintained at a safe moisture level. For purposes of this section “safe moisture level” is a level of moisture low enough to prevent the growth of undesirable microorganisms in the finished product under the intended conditions of manufacturing. The safe moisture level for an edible cannabis product is related to its “aw”. An “aw” will be considered safe for a manufactured cannabis product if adequate data is available to demonstrate that at or below the given aw the manufactured cannabis product will not support the growth of undesirable microorganisms.
14. When ice is used in contact with cannabis products, the ice will be made from water that is safe and of adequate sanitary quality and will be used only if it has been manufactured in accordance with current good manufacturing practices established by the U.S. Food and Drug Administration.

Product Packaging

Prior to delivery or sale at a distributor, we will ensure that all cannabis and cannabis products are labeled and placed in a re-sealable, tamper-evident, child-resistant package which will include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products.

The Cannabis Business will not make packages and labels attractive to children.

Pursuant to *17 CCR §40415*, we will comply with the following packaging requirements:

1. The package shall protect the product from contamination and shall not expose the

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- product to any toxic or harmful substance.
2. The package shall be tamper-evident, which means that the product shall be packaged in packaging that is sealed so that the contents cannot be opened without obvious destruction of the seal.
 3. The package shall be child-resistant, which means the package shall be designed or constructed to be significantly difficult for children under five years of age to open or otherwise obtain access to the product contained therein within a reasonable time, and shall not be difficult for normal adults to open or obtain access to the product contained therein. A package shall be deemed child-resistant if it satisfies the standard for “special packaging” as set forth in the Poison Prevention Packaging Act of 1970 Regulations (16 C.F.R. §1700.1(b)(4)).
 4. The package shall not imitate any package used for products typically marketed to children.
 5. If the product is an edible product, the package shall be opaque.
 6. If the package contains more than one serving of cannabis product, the package shall be re-sealable so that child-resistance is maintained throughout the life of the package.

Product Labeling

Pursuant to *17 CCR §40410* we will comply with the following labeling restrictions in that the label will not contain any of the following:

1. Claims that the cannabis product was produced from cannabis grown in a California county when the cannabis was not grown there.
2. The name of a California county unless the cannabis used in the product was grown there.
3. Content that is or designed to be attractive to individuals under the age of 21, including but not limited to:
 - a. Cartoons;
 - b. Any likeness to images, characters, or phrases that are popularly used to advertise to children;
 - c. Any imitation of candy packaging or labeling; or
 - d. The terms “candy” or “candies.”
4. Any information that is false or misleading.
5. Any health-related statement that is untrue or misleading. Any health-related statement will be supported by the totality of publicly available scientific evidence (including

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evidence from well-designed studies conducted in a manner which is consistent with generally recognized scientific procedures and principles), and for which there is significant scientific agreement, among experts qualified by scientific training and experience to evaluate such claims.

Potential Effects

Pursuant to *17 CCR §40411* we may include information on the potential effects of the cannabis product if we has substantiation that the information is truthful and not misleading. Such information may be located on the informational panel of the label or as an insert included in the product package. For purposes of this section, “potential effect” includes any physiological effect common to or expected from the particular cannabis strain but excludes any claim of health benefits.

Primary Panel

Any information required to be listed on a label will be written in English. The label will be unobstructed and conspicuous so that it can be read by the consumer. All required label information will be located on the outside container or wrapper of the finished product to be sold at a retailer.

Pursuant to *17 CCR §40405*, the primary panel for all products the following information:

1. The identity of the product in a text size reasonably related to the most prominent printed matter on the panel;
2. The universal symbol will be marked, stamped, or otherwise imprinted in the following in form and color:



The symbol will be no smaller in size than half (.5) inch by half (.5) inch and will be printed legibly and conspicuously.

3. The net weight or volume of the contents of the package;
4. The THC content and CBD content for the package in its entirety, expressed in milligrams per package;

The primary panel text will be in type size no less than 6 point font and be in relation to the size of the primary panel and container. The content of other cannabinoids or terpenes may be included if such information is verified by the certificate of analysis issued by a licensed testing laboratory.

Pursuant to *17 CCR §40406*, the primary panel of edible products will include the following information:

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1. The words “cannabis-infused” immediately above the identity of the product in bold type and a text size larger than the text size used for the identity of the product.
2. The THC content and CBD content per serving, expressed in milligrams per serving.

Informational Panel

Pursuant to *17 CCR §40408*, the informational panel shall include the following

1. The licensed manufacturer and its contact number or website address;
2. The date of the cannabis product’s manufacture;
3. The following statement: “GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.
4. If the cannabis product is intended for sale in the medicinal-use market, the statement “For Medicinal Use Only;”
5. A list of all product ingredients in descending order of predominance by weight or volume;
6. If an edible product that contains an ingredient, flavoring, coloring, or an incidental additive that bears or contains a major food allergen, the word “contains,” followed by a list of the applicable major food allergens;
7. If an edible product, the names of any artificial food colorings contained in the product;
8. If an edible product, the amount, in grams, of sodium, sugar, carbohydrates, and total fat per serving;
9. Instructions for use, such as the method of consumption or application, and any preparation necessary prior to use;
10. The product expiration date, “use by” date, or “best by” date, if any; and
11. The UID and, if used, the batch number.

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The informational panel text shall be in a type size of no less than 6 point font and in relation to the size of the primary panel and container, unless there is insufficient area on the container available to print all the required information in a type size of no less than 6 point font. In such a case, the label shall include the warning statements required by paragraph (3) in a type size of no less than 6 point font, and the product shall be accompanied by a supplemental labeling that includes all of the information required by this section. The text of the supplemental labeling shall be no less than 8 point font.

Safety and Hazard Analysis

We will identify and evaluate known or reasonably foreseeable hazards for each type of cannabis product produced at our facility in order to determine whether there exist any hazards requiring a preventive control. The hazard analysis will include:

1. The identification of potential hazards, including:
 - (a) Biological hazards, including microbiological hazards;
 - (b) Chemical hazards, including radiological hazards, pesticide(s) contamination, solvent or other residue, natural toxins, decomposition, unapproved additives, or food allergens; and/or
 - (c) Physical hazards, such as stone, glass, metal fragments, hair or insects.
2. The evaluation of the hazards identified in order to assess the severity of any illness or injury that may occur as a result of a given hazard, and the probability that the hazard will occur in the absence of preventive controls.
3. The hazard evaluation will consider the effect of the following on the safety of the finished cannabis product for the intended consumer:
 - (a) The sanitation conditions of the manufacturing premises;
 - (b) The product formulation;
 - (c) The design, function and condition of the manufacturing facility and its equipment;
 - (d) The raw material, ingredients and other components used in a given cannabis product;
 - (e) Product transportation and transfer practices;
 - (f) The manufacturing and processing procedures;
 - (g) The packaging and labeling activities;
 - (h) The storage of components and/or the finished cannabis product;
 - (i) The intended or reasonably foreseeable use of the finished cannabis product;
 - (j) Any other relevant factors.

Upon completion of the hazard analysis, we will identify and implement written preventive controls to provide assurance to the Department that any hazards requiring a preventative control will be significantly minimized or prevented such that the manufactured cannabis product is not adulterated

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or misbranded. The preventive controls will include the following components:

1. The identification of critical control points. The points, steps or procedures in a given process in which control can be applied, and as a result, a hazard can be prevented, eliminated, or reduced to acceptable levels.
2. The establishment of critical limits for each critical control point. The maximum or minimum value to which a physical, biological, or chemical hazard will be controlled in order to prevent, eliminate, or reduce to an acceptable level the occurrence of an identified hazard. For example: the establishment of specific limits on temperature, humidity, or pH.
3. The establishment and implementation of monitoring procedures in order to use monitoring results to adjust a given process and maintain control. This will include specifying the frequency and documentation requirements for monitoring.
4. The establishment and implementation of corrective actions to be taken when monitoring indicates there is a deviation from an established critical limit. This will include procedures for ensuring:
 - (a) Appropriate action is taken to identify and correct a problem that has occurred with implementation of a preventative control;
 - (b) Appropriate action is taken, when necessary, to reduce the likelihood that a problem will recur;
 - (c) All affected material(s) or product(s) are evaluated for safety;
 - (d) All affected material(s) or product(s) are prevented from entering into commerce if the safety or quality of that material(s) or product(s) cannot be verified.
5. The establishment and implementation of record keeping procedures to document hazard analyses and control plans, identify the person responsible for each step, and identify the corrective actions that were taken upon of the discovery of a deviation. These records will be subject to verification and records review by the Department.
6. The establishment and implementation of verification procedures in order to validate that preventative controls are consistently implemented and are effective in minimizing or preventing identified hazards; that monitoring activities are being conducted as required; and that appropriate decisions about corrective actions are being made.

Extraction Methods

At this time, we will be manufacturing products including, but not limited to, using the following methods:

1. Mechanical extraction
2. Any other non-volatile method authorized by the Department.

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Pursuant to *Health and Safety Code Section 11362.3(b)(3)*, as revised by Senate Bill 94, “volatile solvent” means “a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.” The State of California has indicated that it will allow Volatile Manufacturing. See *Business and Professions Code Section 26130(a)(2)* as revised by Senate Bill 94.

Mechanical Extractions

Cold Water

In the cold-water method, cannabis plant material is placed in a cement mixer and agitated in an ice bath for approximately five (5) minutes. The plant material is then poured through various sized sieves (23 – 220 microns), dried, and packaged for consumer use.

Dry Sieve

In the dry sieve method, cannabis plant material is tumbled in a silk screen cylinder with dry ice. The resulting product, known as kief (also known as dry sift or pollen), is packaged for consumer use.

Heat Press

In the heat press method, cannabis plant material is placed in a silk screen tea bag. The tea bag is then placed between the two heated steel plates. The pressure and heat cause oil to secrete from the cannabis plant material. The oil/rosin is packaged for consumer use.

Products to be Manufactured

The end products we plan to manufacture are to include, but are not limited to:

- Rosin
- Pre-rolls

DISTRIBUTION OPERATIONS

We intend to procure and distribute cannabis and cannabis products from licensed cultivators, manufacturers, and microbusinesses to licensed retailers, manufacturers and microbusinesses as described below.

Procurement

Procurement is the process by which we acquire cannabis and cannabis products from other licensed cultivators (acquisition of raw cannabis), distributors (finished cannabis for sale), and/or

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microbusinesses licensed to conduct cultivation and distribution activities. Procurement will occur in the Delivery room.

We will only procure cannabis and cannabis products from licensed cannabis distributors whose products are made by licensed manufacturers, licensed cultivators, and/or licensed microbusinesses who are authorized to conduct cultivation, manufacturing and/or distribution activities.

Storage

Storage is the securing of cannabis in our facility wherein it will be safely kept until it has undergone testing and/or has passed testing and is ready to be distributed to a retailer for sale or to a manufacturing facility for further processing as set forth herein. Distribution storage will be housed in the Distribution Room.

Pursuant to *16 CCR §5300*, we will only distribute cannabis goods, cannabis accessories, and licensees' branded merchandise or promotional materials.

Pursuant *16 CCR §5301*, we may provide cannabis goods storage-only services, unrelated to the quality assurance and laboratory testing processes, to a licensed cultivator, licensed manufacturer, licensed microbusiness, licensed retailer, or another licensed distributor.

Pursuant to *16 CCR §5302*, we will ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises. The Cannabis Business will ensure a label with the following information is physically attached to each container of each batch:

1. The name and license number of the manufacturer or cultivator who provided the batch;
2. The date of entry into the distributor's storage area;
3. The unique identifiers and batch number associated with the batch;
4. A description of the cannabis goods with enough detail to easily identify the batch;
5. The weight of or quantity of units in the batch; and
6. The best-by, sell-by, or expiration date, of the batch, if any.

Testing

We will have all cannabis and cannabis products tested by a licensed testing laboratory prior to transport to a retailer, microbusiness, and/or manufacturer.

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Pursuant to *16 CCR §5304*, after taking physical possession of a cannabis goods batch, the Cannabis Business will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

Testing

Testing is the process by which we make the cannabis and cannabis product in our possession available to be sampled by a licensed testing laboratory to confirm that all of the cannabis and cannabis products comply with State law as set forth in the chart below:

PHASE-IN OF REQUIRED LABORATORY TESTING	INHALABLE CANNABIS	INHALABLE CANNABIS PRODUCTS	OTHER CANNABIS & CANNABIS PRODUCTS
JANUARY 1, 2018			
Cannabinoids Testing	✓	✓	✓
Moisture Content Testing	✓		
Category II Residual Solvents and Processing Chemicals Testing		✓	✓
Category I Residual Pesticides Testing	✓	✓	✓
Microbial Impurities Testing (A. fumigatus, A. flavus, A. niger, A. terreus)	✓	✓	
Microbial Impurities Testing (Escherichia coli and Salmonella spp.)	✓	✓	✓
Homogeneity Testing of Edible Cannabis Products			✓
JULY 1, 2018			
Category I Residual Solvents and Processing Chemicals Testing		✓	✓
Category II Residual Pesticides Testing	✓	✓	✓
Foreign Material Testing	✓	✓	✓
DECEMBER 31, 2018			
Terpenoids Testing	✓	✓	✓
Mycotoxins Testing	✓	✓	✓
Heavy Metals Testing	✓	✓	✓
Water Activity Testing of Solid or Semi-Solid Edibles	✓		✓

We will have all cannabis and cannabis products tested by a licensed testing laboratory prior to transport to a retailer, microbusiness, and/or manufacturer.

Pursuant to *16 CCR §5304*, after taking physical possession of a cannabis goods batch, the Cannabis Business will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

While the testing, by law, will be done by a third party testing laboratory off-site, the sample collection will occur in the Distribution Room.

Sample Collection

Pursuant to *16 CCR §5305*, we will ensure that the batch size from which the sample is taken meets the requirements of *16 CCR Division 42*.

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One of our employees will be physically present to observe the laboratory employee obtaining the sample of cannabis goods for testing and will ensure that the increments are taken from throughout the batch. See 16 CCR §5305(b).

The sample taking will be video recorded with the batch number stated at the beginning of the video and a visible time and date indication on the video recording footage. The video recordings shall be maintained for 180 days. See 16 CCR §5305(c).

After the sample has been selected, both our employee and the laboratory employee will sign and date the chain of custody form attesting to the sample selection having occurred. See 16 CCR §5305(d).

Our employee will not assist the laboratory employee nor touch the cannabis goods or the sampling equipment while the laboratory employee is obtaining the sample. See 16 CCR §5305(e).

Re-Sampling

Once a sample has been obtained from a batch for regulatory compliance testing, we will not arrange for or allow another licensed testing laboratory to sample or re-sample the same batch for regulatory compliance testing, unless we receive approval from the Bureau of Cannabis Control pursuant to *16 CCR §5705(g)*.

Test Results

A sample “passes” a laboratory test when the sample meets specifications in *16 CCR §§5714 through 5725*.

When a batch passes, we will transfer the cannabis to our retail facility (located on the same premises).

If a sample “fails” a laboratory test and cannot be remediated pursuant to *16 CCR §5727*, then we will destroy the batch that failed laboratory testing.

If the batch can be remediated pursuant to *16 CCR §5727*, then we will transport or arrange for the transportation of the batch to a cultivator or manufacturer for remediation.

Quality-Assurance Review

When we receive a Certificate of Analysis (COA) stating that the sample meets specifications required by law, we will ensure the following before transporting the cannabis goods our retail facility:

1. The COA we received from the testing laboratory is the COA that corresponds to the batch;

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2. The label on the cannabis goods is consistent with the COA regarding cannabinoid content and contaminants required to be listed by law;
3. The packaging complies with applicable packaging laws including, but not limited to, Business and Professions Code §26120;
4. The packaging is tamper-evident (i.e. a one-time-use seal is affixed to the opening of the package, allowing a person to recognize whether or not the package has been opened);
5. The weight or count of the cannabis batch comports with that in the track and trace system. We will use scales as required; and
6. All events up to this point have been entered into the track and trace system.

Remediation, Returns and/or Destruction

Remediation

If, after testing, we determine a failed batch may be remediated, we arrange for the transportation of the batch to a licensed manufacturer for remediation in accordance with the following:

1. We will ensure that a corrective action plan is submitted by the licensed manufacturer to the State Department of Public Health, or by the licensed microbusiness authorized to engage in manufacturing to the Bureau, within thirty (30) calendar days of issuance of the COA.
2. We will ensure that the licensed manufacturer or licensed microbusiness authorized to engage in manufacturing begins remediating the cannabis goods within thirty (30) calendar days of receiving approval from the State Department of Public Health or the Bureau to remediate the cannabis goods.

If we are unable to arrange for a licensed manufacturer or licensed microbusiness authorized to engage in manufacturing to remediate the cannabis goods within thirty (30) calendar days of issuance of the COA, we will destroy the cannabis goods immediately, as set forth below.

Further, if, after two attempts, the batch cannot be remediated such that it passes testing, then we will destroy the entire batch as set forth below.

Return

If, after testing, we discover that a manufactured cannabis good that was obtained from a manufacturer is defective, then we may return the manufactured cannabis good to the selling licensee in exchange for a non-defective version of the same type of manufactured cannabis good

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or in exchange for a manufactured cannabis good of equal value.

Destruction

Alternatively, if we decide not to return the product and we determine the product cannot be remediated, we will destroy the product by rendering the product cannabis waste for proper disposal. To render the product cannabis waste, we will remove the product from packaging and mix the product with a non-consumable medium, including but not limited to one or more of those listed below, so that the resulting mixture is at least fifty percent (50%) non-cannabis waste:

1. Paper waste;
2. Plastic waste;
3. Cardboard waste;
4. Food waste;
5. Grease or other compostable oil waste;
6. Bokashi or other compost activators;
7. Soil; and/or
8. Other medium approved by the Chief of Police that will render cannabis waste unusable and unrecognizable

Packaging and Labeling

Packaging and labeling is where we will place all cannabis and cannabis products in tamper-evident, child-resistant packaging, as applicable, and ensure that all labels are placed on the packaging in compliance with the law. All packaging will occur in the Manufacturing Room.

Tamper-Evident

Tamper-evident packaging is packaging that allows a consumer to know if the package has been opened. Examples include a plastic seal, a sticker across the lid that is ripped when opened, a jar with a lid that pops up after opening, etc.

Child-resistant

Child-resistant packaging is any package that have been certified as child-resistant, in accordance with the federal Poison Prevention Packaging Act (PPPA, 16 CFR §1700.1), a bottle sealed with a

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pry-off metal crown bottle cap, or plastic packaging that is at least 4 mils. thick and heat-sealed without an easy-open tab, dimple, corner or flap.

All flower, flower-only pre-rolls, inhaled concentrates (infused pre-rolls, vape cartridges, shatter, wax, etc.), topicals, and single-serving cannabis product will be placed in single use (“Initial CRP”) packaging which is packaging that is initially child-resistant, but once opened, it is no longer child-resistant. The package’s label will say “This package is not child-resistant after opening.”

All edibles, orally-consumed concentrates (tinctures, capsules, etc.), and suppositories will be placed in multiple use (“Lifetime CRP”) packaging that which maintains its child-resistance throughout the life of the package such that it can be opened and closed repeatedly and remain still remains child-resistant. If each individual serving is in child-resistant packaging, then the entire package need not be in a multiple use package.

We may package, re-package, label, and re-label cannabis for retail sale.

We will not package, re-package, label, or re-label manufactured cannabis products except when the distributor also holds a manufacturing license and is packaging, re- packaging, labeling, or re-labeling its own manufactured cannabis products.

Notwithstanding the foregoing, if, after receiving the COA, it is determined during laboratory testing that a manufactured product is labeled with the incorrect amount of THC per package or serving but is within the THC limits for sale, we may re-label the package with the accurate THC amount.

Distribution

Distribution is the transfer of cannabis and cannabis products to other licensees by transporting (driving) it another licensee’s licensed premises or providing the cannabis or cannabis products to a licensed distribution transport-only company. We will only distribute cannabis and cannabis products to licensed distributors, cannabis retailers, microbusinesses, and manufactures (for further processing).

Inspection and Enforcement

We will allow inspection by the City and/or State of the facility to verify compliance with the requirements of the Hayward Cannabis Ordinance and the requirements of state law.

Tax Compliance and Accounting

We will comply with local, state, and federal tax requirements. We are well aware of the unique federal tax implications for cannabis businesses and have consulted with appropriate professionals to ensure full compliance with the Internal Revenue Service's treatment of cannabis. We will obtain all required tax identification and permit numbers from the IRS and California Department of Taxes and Fees Administration (CDTFA). We understand that, as a Distributor, one of our primary

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functions, in addition to testing of products, is the collection and payment of taxes to the CDTFA. To that effect, we will collect all cultivation taxes from cultivators and manufactures, as applicable and all excise taxes from retailers, as applicable.

In an arm's length transaction, we will collect the cannabis excise tax from the cannabis retailer on or before 90 days after the sale or transfer of cannabis or cannabis product to the cannabis retailer. In a non-arm's length transaction, we will collect the cannabis excise tax from the cannabis retailer on or before 90 days after the sale or transfer of cannabis or cannabis product to the cannabis retailer, or at the time of retail sale by the cannabis retailer, whichever is earlier. We will report and remit the cannabis excise tax to the appropriate entities.

We will provide an invoice, receipt, or other similar document to the cannabis business from which taxes are collected that identifies the business receiving the product, the business from which the product originates, including any associated unique identifier, the amount of cannabis excise tax, and any other information deemed necessary.

Insurance

We will at all times carry and maintain commercial general liability insurance in the aggregate in an amount no less than \$2,000,000.00 and in an amount no less than \$1,000,000.00 for each loss. See 16 CCR §5308. We will maintain insurance from an insurance company that is:

1. A non-admitted insurer, that meets the requirements of Insurance Code §1765.1 or 1765.2, and the insurance is placed pursuant to Insurance Code §1763 and through a surplus line broker licensed under Insurance Code §1765; or
2. An insurer qualified to do business in California by the Secretary of State and authorized by the Insurance Commissioner to write the liability and property classes of insurance as defined by Insurance Code §§102, 103, 107, 114, 108, and 120; or
3. A registered risk retention group compliant with the California Risk Retention Act of 1991. See California Insurance Code sections 125-140.

We will notify the City and the State, in writing, within fourteen (14) calendar days of a lapse in insurance by submitting the Notification and Request Form, BCC-LIC-027.

RETAIL OPERATIONS

We will use a community-driven, customer-centered care approach that will benefit all of our customers. This complex commitment dictates the features of our implementation strategy:

- Customer-centered care;
- A skilled and knowledgeable staff;
- A professional setting;
- Product variety;

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- Quality control;
- Support Services;
- Community outreach, and enabling/support services

Customer-Centered Care

The crucial element of our Customer-Centered Care approach will be meeting with our customers. This requires that our staff be well-trained, comfortable with diversity, and competent to interact appropriately with individuals from different backgrounds and different levels of “cannabis literacy”. The Cannabis Business will educate and empower its customers so that they share responsibility regarding their cannabis use and healthy lifestyle choices.

Our Customer-Centered Care focused Cannabis Business will provide:

- A welcoming environment;
- Respect for customer values and expressed needs;
- Socio-cultural competent staff;
- Help with coordination of care across providers (for medical use customers);
- Emphasis on customer comfort and support; and
- Community outreach and collaboration.

Our staff, facility, and operations will prioritize the safe and careful implementation of the cannabis laws of the State of California, including the Compassionate Use Act of 1996, Medical Marijuana Program Act, Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and the Hayward Cannabis Ordinance.

Our staff, facility, and operations will recognize that customers who use cannabis for medical purposes upon the recommendation of a physician should have reasonable and safe access to cannabis for medical purposes as provided for under the laws of the State of California. For our medical use customers, our staff, facility, and operations will maintain a holistic focus and supportive services. We will seek to identify underlying factors that broadly influence quality of life, with emphasis falling on pain management, avoiding unhealthy behaviors, lifestyle change, improving physical conditioning, adopting better nutritional practices, reducing stress, and taking advantage of the profound mental health benefits that patients can derive from interpersonal support such as counseling, support groups, and community activities with those suffering from similar conditions.

Our facility will maintain a professional look and feel.

We will conduct retail cannabis sales as provided for in *Business and Professions Code section 26000, et. seq.* We will comply with all the requirements applicable to Retailer licensees. We will only sell cannabis, whether adult-use or medical, to individuals who are at least 21 years of age.

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Facility

Delivery

The delivery of cannabis to consumers is a retail function. As such, the delivery operations will operate out of the Retail Room and the Delivery Room. This area is for the delivery of cannabis to consumers.

The delivery of cannabis to consumers is a retail function. As such, the delivery operations will take place within the retail premises – specifically in the Delivery room. This area is for the delivery of cannabis to consumers (this is not to be confused with the area in our Distribution room for transport of cannabis and cannabis products to other licensees which will occur within our distribution premises).

We will have a delivery fleet and these vehicles will be parked onsite when not in use.

Orders will be received by phone, by email, by text message or through the online shopping cart. All processing for deliveries of cannabis goods will occur between the hours of 6:00 a.m. Pacific Time and 10:00 p.m. Pacific or as allowed pursuant to the Conditional Use Permit granted by the City of Hayward.

Prior to order acceptance, customers must verify they are over the age of 21 by providing a valid government-issued photo ID. This information will be stored in a customer profile for future verification.

Medical patients must also provide a valid state-issued Medical Marijuana Identification Card (MMIC).

Product and cash will be stored in locked containers within the delivery vehicles when out in the field and within a cash safe that is bolted to the floor when on the licensed premises. The locked containers within the vehicles will be out of direct sight from outside the vehicle and secured to car using a chain or metal cable and a lock.

When making deliveries drivers will check their surroundings and, upon determining it is safe to do so, exit the vehicle. If the driver deems it not safe, they will drive away from the area immediately and call their manager who will, along with our security team, give the driver instructions. Drivers will verify the ID of the person to ensure they are over 21 and that their name matches the name on the order. After processing the transaction the driver will get in the car, lock the doors, secure the cash (if any) in the locked container, and proceed to their next destination.

When delivery drivers are picking up product from the shop or otherwise returning to the licensed premises, drivers will call the security team to ensure the facility is safe and alert them of their pending arrival.

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Verification of Age

We will verify the identity and age, and physician's recommendation if applicable, of every customer that enters the facility, as required by *16 CCR §5402(a)*, by requesting one of the following:

1. A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and photo of the person;
2. A valid identification card issued to a member of the Armed Forces that includes a date of birth and a photo of the person; or
3. A valid passport issued by the United States or by a foreign government.

Daily Limits

We will not sell more than the following amounts to an adult-use cannabis customer:

1. We will not sell more than 28.5 grams of non-concentrated cannabis in a single day to a single customer.
2. We will not sell more than 8 grams of concentrated cannabis as defined in Business and Professions Code §26001, including concentrated cannabis contained in cannabis products, in a single day to a single customer.
3. We will not sell more than 6 immature cannabis plants, in a single day to a single customer.

We will not sell more than the following amounts to a medicinal cannabis customer:

1. We will not sell more than eight ounces of medicinal cannabis in a single day to a single medicinal cannabis customer.
2. If a valid physician's recommendation contains a different amount than the limits listed in this section, the medicinal cannabis customer may purchase an amount of medicinal cannabis consistent with the patient's needs as recommended by a physician.

Free Cannabis or Cannabis Products

Pursuant to *Business and Professions Code Section 26071*, we will only provide free cannabis or cannabis products if all of the following criteria are met:

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1. Free cannabis or cannabis products are provided only to a medicinal cannabis patient or the patient's primary caregiver. "Medicinal cannabis patient" includes a qualified patient, as defined under Section 11362.7 of the Health and Safety Code, or a person in possession of a valid identification card issued under Section 11362.71 of the Health and Safety Code.
2. We confirm that the individual possesses a valid physician's recommendation
3. We confirm that the physician is in good standing by:
 1. Verifying with the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine that the attending physician has a license in good standing to practice medicine or osteopathy in the state.
 2. Keeping a copy of the patient's or primary caregiver's driver's license or other government issued identification.
4. The cannabis or cannabis products to be provided for free comply with all applicable requirements for cultivation, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or donation.
5. The products are designated for donation in our Track and Trace system.
6. Before being provided to the patient or primary caregiver, the cannabis or cannabis products are properly recorded in the Track and Trace system as belonging to the retailer.
7. The cannabis or cannabis products provided to a medicinal cannabis patient or the primary caregiver of the patient in a single day do not exceed the possession limits set forth herein.
8. The event is properly recorded in our inventory records and the Track and Trace system. We will include in our inventory records for each medicinal cannabis patient the number of an identification card issued pursuant to *Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of the Health and Safety Code* or a copy of the physician's recommendation for no less than four years. If the medicinal cannabis patient is a qualified patient, as defined under *Section 11362.7 of the Health and Safety Code*, that possesses a valid physician's recommendation, we will certify in writing that we verified the recommendation and will keep a copy of that certification for no less than seven years.
9. We will note the donation in our sales invoice or receipt pursuant to *Section 26161 of the Business and Professions Code*.

We reserve the right to provide non-cannabis goods for free (e.g. batteries, t-shirts, water bottles, etc.).

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We may also donate cannabis goods and the use of equipment in compliance with any compassionate use, equality, or other similar program administered by a local jurisdiction, as allowed by law.

Preventing On-Site Consumption

We will not allow cannabis to be consumed on the premises or within 300 feet of the premises. Our on-site security personnel monitor the outside perimeter of the premises, the parking sites immediately adjacent to the premises/those parking areas used our customers, and sidewalks adjacent to our premises to ensure that no one is consuming cannabis in these areas.

In the event that we learn that a customer, employee or visitor is improperly consuming cannabis on the premises or within 300 feet of the premises, that person will be discharged (if an employee) or not allowed to return (if a customer or visitor).

Returns

As a retailer, we may accept customer returns of cannabis goods that were previously sold to a customer. We will not resell cannabis goods that have been returned. We will treat any cannabis goods abandoned on our premises as a customer return. We will destroy all cannabis goods that have been returned to us by a customer, in accordance with *16 CCR §§5054 and 5055*.

Variety of Products

Lawfully Acquired Cannabis Only

We will not make any cannabis goods available for sale or delivery to a customer unless:

1. The cannabis goods were received from a licensed distributor;
2. We have verified that the cannabis goods have not exceeded their expiration or sell- by date if one is provided; and
3. In the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and all other relevant laws.

Product Variety

Different strains of cannabis have different effects, some offering relief from a given condition more than others. Furthermore, customers with serious medical conditions, such as those with a wasting syndrome or undergoing chemotherapy for cancer, can have very specific tolerances, intolerances, and idiopathic reactions to medication. To offer customers customized and scientifically precise treatment options, it is critical that we provide as wide a variety of products,

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including strains of medical cannabis and as great a variety of delivery methods as possible.

Permitted Products

Dried Cannabis: Sativa, Indica, & Hybrids

The effectiveness of cannabis is directly related to strain selection. Therefore, we will recommend care be taken in selecting appropriate strains to meet the customer's needs.

Edibles

We plan to offer several different edible product lines to cater to the various medical, nutritional, financial and taste needs of its customers. Infusing cannabis into foods is a long-practiced and very effective method to use cannabis as medicine. However, careful dosing is important. Edibles can be used as effectively as smoking or vaporizing.

Concentrates

Our product inventory will ensure customers have a variety of consumption methods that suit each person's needs and lifestyle. Our product inventory is designed to provide cannabis in readily accessible forms.

Medicinals

Our product inventory of medicinals is designed to conveniently access the palliative as well as curative properties of cannabis. Each different delivery method of ingestion is targeted to treat specific diseases; for example, capsules and tonics have the potency to provide curative treatment, while the oral spray and chewing gum are designed for immediate palliative treatment of pain or spasticity. All products for medical will use will be labeled as such.

Topicals

Our product inventory of topicals is designed to provide topical applications of cannabis for arthritic customers, or customers with injuries. Topicals have an analgesic and anti-inflammatory effect to reduce or eliminate pain.

Prohibited Products

The following types of products will not be sold as edible cannabis products:

1. Alcoholic beverages, as defined in *Business and Professions Code §23004*. "Alcoholic beverage" does not include tinctures.

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2. Any product containing any non-cannabinoid additive that would increase potency, toxicity, or addictive potential, or that would create an unsafe combination with other psychoactive substances. Prohibited additives include, but are not limited to, nicotine and caffeine. This prohibition will not apply to products containing naturally- occurring caffeine, such as coffee, tea, or chocolate.
3. Any cannabis product that will be held at or below 41 degrees Fahrenheit to keep it safe for human consumption, including, but not limited to, cream or custard-filled pies; pies or pastries which consist in whole or in part of milk or milk products, eggs, or synthetic fillings; or meat-filled pies or pastries. This prohibition will not apply to juices or beverages that need to be held below 41 degrees Fahrenheit if the juice or beverage was processed in accordance with *17 CCR §40270*;
4. Any low-acid cannabis product with a finished equilibrium pH greater than 4.6 and water activity greater than 0.85, packed in a hermetically sealed container in a reduced oxygen package (e.g. vacuum packed);
5. Any juice that is not shelf-stable or that is not processed in accordance with *17 CCR §40270*;
6. Dairy products of any kind, as prohibited by subdivision (t) of section 26001 of the Business and Professions Code, except that butter purchased from a licensed milk products plant or retail location may be subsequently infused with cannabis and sold as a cannabis product;
7. Meat products other than dried meat products prepared in accordance with *17 CCR §40272*;
8. Seafood products of any kind;
9. Any product that is manufactured by application of cannabinoid concentrate or extract to commercially available candy or snack food items without further processing of the product.
10. Any cannabis product that the Department determines is attractive to children;
11. Any cannabis product that the Department determines is easily confused with commercially available foods without cannabis.
12. Any cannabis product in the shape of a human being, either realistic or caricature, animal, insect, or fruit.

Sale of Non-Cannabis Products on Premises

We will sell non-cannabis products if it remains in compliance with any city, county, and state laws or regulations related to those products. We will not sell alcohol and alcohol products and

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tobacco and tobacco products from sale at any licensed premises.

Live Plants

We will only sell live, immature cannabis plants and seeds if all of the following requirements are met.

1. The plant is not flowering;
2. The plant or seed was purchased from a nursery that holds a valid Nursery license under MAUCRSA; and
3. A label is affixed to the plant or package containing any seeds which states "This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act."

Sale of Non-Cannabis Products on Premises

We will sell non-cannabis products if it remains in compliance with any city, county, and state laws or regulations related to those products. We will not sell alcohol and alcohol products and tobacco and tobacco products from sale at any licensed premises.

Live Plants

We will only sell live, immature cannabis plants and seeds if all of the following requirements are met.

4. The plant is not flowering;
5. The plant or seed was purchased from a nursery that holds a valid Nursery license under MAUCRSA; and
6. A label is affixed to the plant or package containing any seeds which states "This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act."

The Cannabis Business will not sell any other live plants unless it is licensed as a Nursery.

The Cannabis Business will not apply nor use any pesticide, nor cause any pesticide to be applied nor used, on live plants unless it is authorized to do so as a licensed cultivator.

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PRODUCT MOVEMENT WITHIN FACILITY

As a microbusiness, we will be transferring cannabis through our various premises – cultivation, distribution, manufacturing and retail. All product will be moved between buildings using a cart when the parking lot gate is closed and secure or via a distribution vehicle when the parking lot gate is open.

SECURED FACILITY WITH LIMITED ACCESS

Security

As is set forth in more detail in the Safety and Security Plan, inner security measures will include:

1. Video Surveillance System
 1. Onsite digital video recorder server with 4mp cameras.
 2. Secured in locked rack enclosure.
 3. Recording Continuously 24hrs per day @ 1080p & 15FPS
 4. Video maintained for 90 days
 5. Available on request by appropriate enforcement officers.
2. One (1) security guard(s) (armed)
3. 24 hour security and fire monitoring system by Protection Link
 - a. Each user will have a unique code to arm/disarm sensitive areas of the building when not in use.
 - b. Motion detectors for sensitive areas when not in use.
4. Internal Cannabis Waste receptacles (locked)
 1. Cannabis waste receptacles provided by WasteTrakr
 2. Waste removal provided by WasteTrakr
5. Key Control System which details controlled keys and controlled access to areas that would not require a FOB – such as access to the cannabis waste receptacles.
6. Employees will be badged
7. Controlled Visitor and Vendor access - Monitoring and recording of credentials utilizing Visitor/vendor software
 1. Takes photo of individual
 2. Records name and identification
 3. Prints out a visitor badge with photo
8. Safes
 1. Reputable brand such as Sentry Safe
 2. Bolted to ground
 3. Less than 6 feet high
- ___9. Utilization of Armored Car company

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1. Removing of cash from premises
2. Delivering change orders
10. Controlled entrance and exits (entrance will have an employee, verifying and directing)
11. Sensor lighting – appropriate lighting in all areas, sensor lighting when someone walks into area
12. Secured Fencing throughout campus with gate access monitored by security
13. Video recording of license plates arriving and departing

Facility Access

As is outlined in the Security Plan, access to and within the facility will be tightly controlled and monitored. Access to and within the facility will be controlled by key fob access. Delivery employees will only have access to the delivery areas, the breakroom/break areas, and associated hallways for access. Manufacturing employees will only have access to the manufacturing areas, the breakroom/break areas, and associated hallways for access. Distribution employees will only have access to the distribution areas, the breakroom/break areas, and associated hallways for access.

Permissions, as set forth above, will be utilized to control employee key fob holder's access to only the relevant rooms or areas that are required for them to do their job.

Employee Parking

Employee vehicles will be kept onsite and at identified off-site parking locations. Always On Time encourages its employees to ride share and will pay for public transportation for its employees. There are gates around the premise.

TRACK-AND-TRACE SYSTEM

Designated Account Manager

For all of our operations, we will create and maintain an active and functional account within the track and trace system and have designated Doug Chloupek as the track and trace system account manager. The designated account manager and all other employees authorized to use the Track and Trace systems have attended and successfully completed all required track and trace system training, including any orientation and continuing education.

Our account manager will maintain a complete, accurate, and up-to-date list of all track and trace system users, consisting of their full names and usernames. We will monitor all compliance notifications from the track and trace system, and timely resolve the issues detailed in the

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compliance notification and keep a record, independent of the track and trace system, of all compliance notifications received from the track and trace system, and how and when compliance was achieved. If any user ceases being authorized to have access to our track and trace account, then, within three (3) calendar days, our account manager will cancel the access rights of said track-and-trace user. If an error occurs, we will correct any such data within three (3) calendar days of discovery of the error and notify the Bureau of Cannabis Control immediately for any loss of access that exceeds three (3) calendar days.

Ordering UID Tags

Within five (5) calendar days of the date our designated account manager(s) is credentialed by the Bureau of Cannabis Control to use the track-and-trace system, the designated account manager will request UIDs from METRC.

We will only use UIDs provisioned and distributed by Bureau of Cannabis Control or it's designee.

We will maintain a sufficient supply of UIDs in inventory to support tagging in accordance with the State regulations.

We will use the track-and-trace system to document receipt of provisioned and distributed UIDs within three (3) calendar days of physical receipt of the UIDs.

Information Recorded in Track and Trace

We will use the track-and-trace system for recording all applicable commercial cannabis activities. To that effect, all cannabis will be entered into track and trace starting with seed, cannabis which has been propagated onsite or purchased from a licensed nursery, or seedling purchased from a licensed nursery.

The UID tag will accompany the cannabis products through all phases of the growing cycle, as follows:

1. All immature plants, to the extent they exist, will assigned a UID to each established lot respectively. The lot UID shall be placed in a position so it is visible and within clear view of an individual standing next to the immature lot to which the UID was assigned, and all UIDs shall be kept free from dirt and debris.
2. Each lot of immature plants shall be uniform in strain or cultivar and shall not have more than one hundred (100) immature plants at any one time. All immature plants in a lot shall be labeled with the corresponding UID number assigned to the lot and shall be contiguous to one another to facilitate identification by Bureau of Cannabis Control.
3. Each immature plant intended for retail sale will have a UID affixed or be labeled with the corresponding UID number of the lot and be recorded in the track-and-trace system prior to

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transfer from the licensed nursery.

4. We will apply a UID to all individual plants at the time any plant is moved to the designated canopy area or when an individual plant begins flowering. We may tag individual immature plants prior to movement to the designated canopy area or prior to flowering.
5. Each mature plant will have a UID tag which will be attached to the main stem, at the base of each plant. The UID will be attached to the plant using a tamper evident strap or zip tie and placed in a position so it is visible and within clear view of an individual standing next to the mature plant to which the UID was assigned and UIDs will be kept free from dirt and debris.
6. We will not remove the UID from the mature plant to which it was attached and assigned until the plant is harvested, destroyed, or disposed.
7. Each harvest batch will be assigned a unique harvest batch name which will be associated with all UIDs for each individual plant, or portion thereof, contained in the harvest batch. All cannabis and nonmanufactured cannabis products derived from the harvest batch will have a UID associated with the corresponding harvest batch name from which the cannabis and nonmanufactured cannabis products were derived.

We will report the following in the Track and Trace system:

1. Any and all transfers of cannabis or nonmanufactured cannabis products to another licensee prior to the movement of the cannabis or nonmanufactured cannabis products off the licensed premises.
2. Any and all cannabis or nonmanufactured cannabis products physically received or rejected from another licensee within twenty-four (24) hours of receipt or rejection of the products.
3. Any and all information related to the disposition of cannabis and nonmanufactured cannabis products, as applicable, on the licensed premises. All applicable information as follows shall be reported within three (3) calendar days of the applicable event:
 1. Creating a planting of an immature plant lot;
 2. Moving immature plants to a designated canopy area, or when an individual plant begins flowering, or when applying a UID to an immature plant, in accordance with 3 *CCR §8403(b)(3)*;
 3. Destruction or disposal of an immature or mature plant;
 4. Harvest of a mature plant, or portion thereof. The following information will be reported for each harvested plant, or portion thereof, or harvest batch:
 1. The wet weight of each harvested plant, or portion thereof, which must be obtained by the licensee immediately after harvest of the plant, or portion thereof;
 2. The net weight of each harvest batch, obtained pursuant to 3 *CCR §8406(b)*;
 3. The weight of cannabis waste associated with each harvest batch;

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4. The unique name of the harvest batch and the initiating date of the harvest. For the purposes of this section, the initiating date of the harvest is the month, day, and year the first mature cannabis plant(s) in the harvest batch were cut, picked, or removed from the soil or other growing media. The initiating date of the harvest shall be recorded using the MM/DD/YYYY format. For example, January 1, 2018 would be recorded as 01/01/2018.
5. Packaging.

4. For each transfer of cannabis or nonmanufactured cannabis products to, or cannabis or

nonmanufactured cannabis products received from, another licensee, we will enter the following information:

1. Name, business address, and department or other licensing authority issued license number of the seller;
 2. Name, business address, and department or other licensing authority issued license number of the purchaser;
 3. Name and department issued license number of the distributor;
 4. Date of sale, transfer, or receipt (month, day, and year) of cannabis or nonmanufactured cannabis products;
 5. Weight or count of individual units of cannabis or nonmanufactured cannabis products sold, transferred, or received;
 - i. Weight. For the purposes of this section a licensee must use wet weight or net weight. Wet weight and net weight shall be determined following weighing device requirements pursuant to section 8213 of this chapter and measured, recorded, and reported in U.S. customary units (e.g., ounce or pound) or International System of Units (e.g., kilograms, grams, or milligrams).
 - ii. Count. For the purposes of this section, “count” means the numerical count of the individual plants or units.
 6. Estimated departure and arrival time;
 7. Actual departure time;
 8. Description for each item, including strain or cultivar, and all of the applicable information below:
 - i. Plant;
 - ii. Flower;
 - iii. Leaf;
 - iv. Shake;
 - v. Kief; and
 - vi. Pre-rolls.
 9. UID(s).
5. Upon destruction or disposal of any cannabis or nonmanufactured cannabis products, the applicable UIDs shall be retired in the track-and-trace system within three (3) calendar days of the destruction or disposal and be performed in accordance with the licensee’s approved cannabis waste management plan.

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6. We will also record the net weight of all harvested cannabis once the majority of drying, trimming, and curing activities have been completed, or within sixty (60) calendar days from the initial harvest date, whichever is sooner.

Loss of Connectivity

If we lose access to the track-and-trace system for any reason, we will prepare and maintain comprehensive records detailing all required inventory tracking activities conducted during the loss of access. Once access to the track-and-trace system is restored, all inventory tracking activities that occurred during the loss of access shall be entered into the track-and-trace system within three (3) calendar days.

Further, we will document the date and time when access to the track-and-trace system was lost, when it was restored, and the cause for each loss of access.

During the loss of connectivity, we will not transfer cannabis or nonmanufactured cannabis products to a distributor until such time as access to the system is restored and all information is recorded into the track-and-trace system.

Track and Trace System Reconciliation

In addition to the inventory reconciliation set forth above, we will reconcile the physical inventory of cannabis goods at our licensed premises with the records in the track and trace database at least once every thirty (30) calendar days.

If we find a discrepancy between the physical inventory and the track and trace system database, we will conduct an audit, and notify the Bureau of Cannabis Control and the City of Hayward of any reportable activity.

RECORD KEEPING

Pursuant to §6-14.14 of the *Hayward Municipal Code*, we will maintain books, records, accounts and all data and information relevant to its operations and allow the City access to such records for purposes of conducting an audit or examination to determine compliance with Article 14, the Hayward Municipal Code, and other local regulations, including compliance with local tax obligations.

The Cannabis Business will keep, or cause to be kept, a true and correct copy of the Cannabis Permit, the Conditional Use Permit and the State issued license, in legible condition, on the premises of that Cannabis Business. The Cannabis Business will present, or cause to be presented, the copy of its Cannabis Permit, the Conditional Use Permit and the State issued license to a City police officer or City code enforcement officer who is at the site of we immediately upon request.

Pursuant to State law, we will keep and maintain the following records related to commercial cannabis activity for at least seven years:

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1. Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formally Board of Equalization) under Title 18 California Code of Regulations sections 1698 and 4901.
2. Personnel records, including each employee's full name, social security or individual taxpayer identification number, date employment begins, and date of termination of employment if applicable.
3. Training records, including but not limited to the content of the training provided, and the names of the employees that received the training.
4. Contracts with other licensees regarding commercial cannabis activity.
5. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity.
6. Security records, except for surveillance recordings required pursuant to section 5044 of this division.
7. Records relating to the composting or destruction of cannabis goods.
8. Documentation for data or information entered into the track and trace system.
9. All other documents prepared or executed by an owner or his employees or assignees in connection with the licensed commercial cannabis business.
10. Records relating to branding, packaging and labeling;
11. Inventory logs and records;
12. Transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit;
13. Vehicle and trailer ownership records;
14. Quality-assurance records;
15. Records relating to destruction of cannabis goods;
16. Laboratory-testing records;
17. Warehouse receipts;
18. Records relating to tax payments collected and paid under Sections 34011 and 34012 of the Revenue and Tax Code.

The records will be kept in a manner that allows the records to be produced for the Bureau at the licensed premises in either hard copy or electronic form, whichever the Bureau requests.

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WEIGHTS AND MEASURES

The accurate weight of any product places a role in determining the price of the product, the potency of a product, etc. therefore our weighing device(s) will be approved, tested, and sealed in accordance with the requirements in Chapter 5 (commencing with Section 12500) of Division 5 of the Business and Professions Code, and registered with the county sealer consistent with Chapter 2 (commencing with 12240) of Division 5 of the Business and Professions Code. Approved and registered devices will be used whenever:

1. Cannabis or cannabis product is bought or sold by weight or count¹;
2. Cannabis or cannabis product is packaged for sale by weight or count;
3. Cannabis or cannabis product is weighed or counted for entry into the track-and- trace system; and
4. The weighing device is used for commercial purposes as defined in section 12500 of Business and Professions Code.

For bulk shipments of cannabis and cannabis products, a licensee will be licensed as a weighmaster, and a certificate issued by a licensed weighmaster, will be consistent with the requirements in Chapter 7 (commencing with section 12700) of Division 5 of Business and Professions Code.

PRODUCT COMPLAINTS AND RECALLS

All product complaints will be review and handled expeditiously and in an appropriate manner. A designated, qualified individual employed by us will:

1. Review and investigate all product complaints² to determine whether such complaints involve a possible failure of a cannabis product to meet any of its specifications;
2. Review all records and approve decisions determining whether to investigate a product complaint and will review and approve the findings and follow up action(s) of any investigation performed;
3. Maintain written records for every product complaint and subsequent investigation, if any. The records will include:
 - (a) The name and description of the cannabis product;
 - (b) The batch number or UID of the cannabis product, if available;
 - (c) The date the complaint was received and the name, address, and/or telephone number of the complainant, if available;

¹ Count is the numerical count of the individual cannabis product units.

² Any communication that contains any allegation, written, electronic, or oral, expressing concern, for any reason, with the quality of a cannabis product that could be related to the manufacturing practices. Examples of product complaints may include but are not limited to: foul odor, off taste, illness or injury, disintegration time, color variation, foreign material in a cannabis product container, improper packaging, mislabeling, cannabis products that contain incorrect concentration of cannabinoids, or cannabis products contain a wrong ingredient, or any form of contaminant.

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- (d) The nature of the complaint including, if known, how the product was used;
- (e) The reply to the complainant, if any; and
- (f) Any findings of the investigation and/or follow-up action taken when an investigation is performed.

In the event we determine any product manufactured by us to be misbranded or adulterated, we will notify:

1. All customers that have, or could have, obtained the product, including communication and outreach via media, as necessary and appropriate; and
2. Any licensees that supplied or received the recalled product of the recall and the basis for the recall.
3. We will further release instructions to the general public and/or other licensees for the return and/or destruction of recalled product. Upon receipt of the recalled product, we will:
 4. Be quarantined for a minimum of 72 hours. We will affix to the recalled products any bills of lading, shipping manifests, or other similar documents with product information and weight, and will notify the Department of the quarantine. The product held in quarantine will be subject to auditing by the Department.
 5. Following the quarantine period, render the recalled cannabis product unusable and unrecognizable in accordance with Section 40290, and do so on video surveillance in accordance with Section 40205. Except as provided in subparagraph (A), recalled cannabis product that has been rendered unusable and unrecognizable is considered cannabis waste and will be disposed of in accordance with Section 40290, cannabis waste management.
 6. Dispose of chemical, dangerous, or hazardous waste in a manner consistent with federal, state, and local laws. This requirement will include but is not limited to recalled products containing or consisting of pesticide or other agricultural chemicals, certain solvents or other chemicals used in the production of manufactured cannabis batches, and cannabis soaked in a flammable solvent for the purpose of producing manufactured cannabis batches.
 7. Not dispose of recalled product in an unsecured area or waste receptacle that is not in the possession and/or control of the licensee.

In addition to the tracking requirements set forth in *Section 40512*, we will use the track-and- trace database and on-site documentation to ensure that recalled cannabis products intended for destruction are identified, weighed, and tracked while on the licensed premises and when disposed of in accordance with this section. For recalled cannabis products, we will enter the following details into the track and trace database: the weight of the product, reason for destruction, and the date the quarantine period will begin.

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We will notify the Bureau of Cannabis Control of any recall within 24 hours.

INSPECTIONS

As a microbusiness, we understand that we are subject to inspection by the Bureau of Cannabis Control, CalCannabis, Department of Food and Agriculture, the City of Hayward, and its inspectors or agents prior to receiving a new or renewal license.

We will allow all State and local agencies and their inspectors/agents free access at reasonable times to the premises so that they may determine compliance with the provisions of the State and local laws and regulation.

TAX COMPLIANCE AND ACCOUNTING

We will comply with local, state, and federal tax requirements. We are well aware of the unique federal tax implications for cannabis businesses and have consulted with appropriate professionals to ensure full compliance with the Internal Revenue Service's treatment of cannabis. We will obtain all required tax identification and permit numbers from the IRS and California Department of Taxes and Fees Administration (CDTFA). We understand that, as a Distributor, one of our primary functions, in addition to testing of products, is the collection and payment of taxes to the CDTFA. To that effect, we will collect all cultivation taxes from cultivators and manufactures, as applicable and all excise taxes from retailers, as applicable.

In an arm's length transaction, we will collect the cannabis excise tax from the cannabis retailer on or before 90 days after the sale or transfer of cannabis or cannabis product to the cannabis retailer. In a non-arm's length transaction, we will collect the cannabis excise tax from the cannabis retailer on or before 90 days after the sale or transfer of cannabis or cannabis product to the cannabis retailer, or at the time of retail sale by the cannabis retailer, whichever is earlier. We will report and remit the cannabis excise tax to the appropriate entities.

We will provide an invoice, receipt, or other similar document to the cannabis business from which taxes are collected that identifies the business receiving the product, the business from which the product originates, including any associated unique identifier, the amount of cannabis excise tax, and any other information deemed necessary.

NOTIFICATION OF CHANGE OF OWNERSHIP OR OPERATIONAL CONTROL

We will notify the City if we intend to transfer ownership or operational control of the business. The transferee will be responsible for complying with all applicable local and state licensing requirements. Any conditions imposed upon the transferor by the original conditional use permit will be binding upon any subsequent transferees. Any transfer of ownership or operational control of the business which results in a lapse of normal operations for a period of six months or more will obtain a new use permit, consistent with Sections 10-1.3170 or 10-1.3270 of the Hayward

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Municipal Code, as applicable.

START UP ACTIVITIES

Time Period (commencing after obtaining Cannabis Permit)	Activity
0-6 months	Apply for and obtain Conditional Use Permit for facility location
6-12 months	Complete any construction and/or improvement projects at the facility location as requested by the City of Hayward
10 months	Upon receipt of CUP, apply for State license. Upon receiving State license, <ul style="list-style-type: none"> • Begin operations • Attend workshops to understand California's track and trace system • Attend training to learn the POS system
10-12 months	<ul style="list-style-type: none"> • Implement our marketing plan • Create a following and advertise through social media outlets, email marketing, and our web presence

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Safety and Security Plan

This is the written Safety and Security Plan for ALWAYS ON TIME CONSULTING, INC. (hereinafter sometimes referred to as “We”, “Us”, “Our”, or “Cannabis Business”). This plan addresses and meets the requirements of *Chapter 6, Article 14 of the City of Hayward Municipal Code, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), California Code of Regulations Title 3, Division 8, Chapter 1; Title 16, Division 42; and Title 17, Division 1, Chapter 13*, and any other state and local laws as applicable.

INTRODUCTION

We understand that security is of paramount importance. We are keenly aware of the added security challenges that an operation of this nature faces, and we have taken extensive measures to have professionally vetted policies, procedures, and systems in place to provide comprehensive protection, not only for our physical inventory, but also for our employees and the surrounding public. Our security will meet or exceed the requirements of the City of Hayward and the State of California. The security and safety of the Cannabis Business’ staff, administration and surrounding public, is crucial to the operational goal of distributing cannabis in a safe manner.

Our Safety and Security Plan is divided into two components: Operational Security and Facility Security. The preventive measures adopted in these components will minimize our security exposure; protect the public, and our staff. We also are confident that, should there be any breach of security, our comprehensive response capabilities will ensure the incident is quickly detected, contained, and resolved at the appropriate response level.

OPERATIONAL SECURITY

Incident Management and Emergency Response

We understand that smooth operations require well laid contingency plans and a staff well trained in their execution. We have developed a Fire and Emergency Response Plan attached hereto as **EXHIBIT A**. The Fire and Emergency Response Plan includes contingencies for non- security related emergencies such as medical emergencies, bomb threats, fires, explosions, chemical release, and weather related disasters to ensure an appropriate and orderly response. This will prevent non security related emergencies from becoming aggravated security emergencies as well. Emergency procedures and emergency contact numbers will be provided in writing to all employee members and made available in the Cannabis Business.

We will also develop a comprehensive set of guidelines for dealing with security threats. All staff will be trained in these procedures to ensure they are adequately prepared for emergencies. Preparedness means all staff members will:

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1. Know how to assess emerging situations to determine the type and level of threats they may pose;
2. Know how to respond to different kinds of security threats;
3. Know which types of situations warrant the activation of panic buttons; and
4. Know how to proceed when a security alarm goes off or a panic button has been activated.

If a security breach is found to constitute an actual emergency, authorities will be notified as required. We will then follow the emergency response procedures we will establish in cooperation with local law enforcement authorities for smoothly bringing the situation under their control. Procedures will be revised and updated as necessary and will be reviewed at least once every twelve (12) months. We will invite local law enforcement to offer their input on up to date security threat analysis and contingency planning.

Training

Security and emergency response training is only part of the training that will be required for all employees. Training will also cover:

1. Cannabis laws and regulations,
2. Secure electronic record keeping,
3. Personnel safety, fire safety, and crime prevention.
4. Cash Management

Liaising with Community and Local Law Enforcement

We will provide the City Manager or his/her designee, and all residents, businesses and property owners within 100 feet of the permitted premises with the current name, phone number, secondary phone number and e-mail address of an on-site community relations staff person to whom notice of any operating problems associated with the premises may be reported. This information shall be updated as necessary to keep it current.

We also will reach out to local law enforcement to develop a professional working relationship and a coherent contingency plan for incidents that require a law enforcement involvement at our facility. Local law enforcement officials will be invited to the site, to discuss and evaluate potential security risks, vulnerabilities, and to assist in the development or enhancement of our current security program.

We will notify State and local law enforcement within 24 hours of discovery of any of the following situations:

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1. We discover a significant discrepancy as defined Title 16, Division 42, Section 5034 in our inventory.
2. We become aware of or have reason to suspect diversion, theft, loss, or any other criminal activity pertaining to our operations.
3. We become aware of or have reason to suspect diversion, theft, loss, or any other criminal activity by an agent or employee pertaining to our operations.
4. We become aware of or have reason to suspect the loss or unauthorized alteration of records related to cannabis goods, customers, or our employees or agents.
5. We become aware of or have reason to suspect any other breach of security.

We will notify the Bureau of Cannabis Control, in writing, and include the date and time of occurrence of the theft, loss, or criminal activity, the name of the local law enforcement agency that was notified, and a description of the incident including, where applicable, the item(s) that were taken or lost. Please see Diversions Prevention Plan at **EXHIBIT B**.

Incident Log

The Cannabis Business will maintain an incident log for a period of not less than seven (7) years with reports of incidents that triggered an event.

Suspicious Activity and Loitering

Staff will be trained to identify and respond appropriately to all levels of suspicious activity. Loitering will not be tolerated. The Cannabis Business will prohibit:

1. Loitering by individuals either on the premises or within one hundred feet of the Cannabis Business;
2. On-site consumption of cannabis or alcohol; and
3. Loud car stereos or activities disruptive to the neighboring businesses or residences outside the Cannabis Business, whether the disruption is occurring immediately outside the Cannabis Business or anywhere else on the property or parcel.

The Cannabis Business will report any loitering within one hundred feet of the premises.

Closing Procedures

After the cessation of business each day our closing procedures require that the security alarms be set. At the close of each business day, our personnel will insure that:

1. All exterior doors and interior rooms are locked,
2. All cannabis and cannabis products are secured in the safe and/or locked storage room; and

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3. That the security alarms are set.

Background Checks

All employees working in the Cannabis Business will be subject to background/Live Scan checks.

All employees will furnish the Hayward Police Department a state or federal registered Identification Card, upon request.

Preventing On-Site Consumption

We will not permit the consumption of cannabis at the Cannabis Business in any form.

FACILITY SECURITY

The security at the Cannabis Business is designed to reduce the likelihood of security breaches and to trigger an immediate response in the event of a breach. In addition, it is designed to control access to the Cannabis Business. Security measures will also be designed to ensure emergency access is provided to the Hayward Police Department and Hayward Fire Department for all areas on the premises in the case of an emergency.

The facility security for the Cannabis Business will include:

Security Guard/Personnel

The Cannabis Business will utilize adequate security personnel and patrols to ensure the safety of persons and to protect the facility from theft at all times. All security personnel utilized by the Cannabis Business will be licensed and possess a valid Department of Consumer Affairs “Security Guard Card” at all times.

A minimum of one (1) Security Personnel/Security Guard will be present and on duty at the Cannabis Business during its hours of operation.

The Security Personnel/Security Guard will provide security inside the Cannabis Business, along the outside perimeter of the Premises, at parking sites immediately adjacent to the Cannabis Business and used by members of the Cannabis Business, and at sidewalks adjacent to the Cannabis Business.

Security Personnel and Security Guards will be provided by a licensed security company. The security company will ensure compliance with all applicable requirements.

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Camera and Recording System

Security surveillance IP video cameras will be installed and maintained in good working order to provide coverage on a twenty-four (24) hour real-time basis of all internal and exterior areas where cannabis is weighed, packaged, stored, transferred, and distributed.

The cameras will allow for remote access to be provided to the Hayward Police Department.

The security surveillance cameras will be oriented in a manner that provides clear and certain identification of all individuals within those areas. IP cameras will remain active at all times and shall be capable of operating under any lighting condition.

Security video will use standard industry format to support criminal investigations and will be maintained for ninety (90) days.

The Cannabis Business will use a professional security company for installation and monitoring of security camera system. The security cameras will be located as set forth on the Site Plan.

To prevent tampering, the security footage will be kept in a secure, locked and tamper-proof location and all recordings will be date and time stamped. The security system hard drive will be secured in a locked IT Closet located within the as set forth on the Site Plan.

Centrally Monitored Fire and Burglar Alarm System

A professionally monitored security alarm system will be installed and maintained in good working condition.

The alarm system will include sensors to detect entry and exit from all secure areas and all windows.

We will keep the name and contact information of the alarm system installation and monitoring company as part of our onsite books and records.

We will identify a local contact who will be responsible for addressing security and safety issues and shall provide and keep current that contact information to the Hayward Police Department as part of the permitting process.

This alarm system (fire and burglar) will be monitored by a professional alarm company at all times.

This alarm system will be routinely inspected to ensure that they are functioning properly.

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Storage of Cannabis

After-hours, all cannabis products will be stored in a secured and locked cage in a manner as to prevent diversion, theft, and loss. The cage will be located within a locked room as set forth on the Site Plan. No outdoor storage of cannabis or cannabis products will be permitted at any time.

Exterior Lighting and Public Exposure

Statistics show that crimes are less likely to occur in well-lit areas, because a well-lighted property is an excellent deterrent against criminals. Security lighting is one of the most practical and effective ways to prevent crime in or around commercial facilities.

The main objectives of our security lighting system are to illuminate dark areas and detect and recognize movement in the protected area. The best vision with outdoor lighting is obtained from downward directed and shielded security lighting that is constantly on, supplemented with instant on lighting triggered by motion detectors.

Exterior landscaping within ten (10) feet of a Cannabis Business will be free of locations which could reasonably be considered places where a person could conceal themselves considering natural or artificial illumination.

Exterior building lighting and parking area lighting will be of sufficient foot candles and color rendition, so as to allow the ready identification of any individual committing a crime on site at a distance of no less than forty feet.

The Cannabis Business will add external security lighting as appropriate.

Cannabis or cannabis products or graphics depicting cannabis or cannabis products within the Cannabis Business will not be visible with the naked eye from the perspective of a pedestrian immediately exterior to the property line of the Cannabis Business.

The Exterior Lighting is placed as set forth on the Site Plan.

Ingress and Egress, and Access

We will secure the perimeter of the Cannabis Business to prevent unauthorized intrusion. All points of ingress and egress will be secured with Building Code compliant commercial-grade, non-residential door locks and/or window locks.

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Safety and Security Plan

Windows

Windows and glass panes will have vandal resistant glazing, shatter resistant film, glass block, or bars installed equipped with latches that may be released quickly from the inside to allow exit in the event of emergency. Windows vulnerable to intrusion by a vehicle will be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.

Roofs, Roof Hatches, Sky Lights, and Ceilings

Roof hatches and skylights will be secured so as to prevent intrusion. All means of gaining unauthorized access to the roof will be eliminated. Exterior roof ladders will be secured with locked ladder covers.

Entrances, Exits, and Doors

All doors will be commercial grade and will require a special code for access. Any outward opening doors will be fitted with hinge stud kits, welded hinges or set screw hinge pins.

Double doors will be fitted with three point locking hardware and push bars consistent with fire agency regulations or requirements.

All emergency exits will be solid core doors featuring hinge pin removable deterrence. Emergency exit doors will have latch guards at least 12 inches in length protecting the locking bolt area. Latch guards will be of minimum 0.125 inch thick steel, affixed to the exterior of the door with non-removable bolts, and attached so as to cover the gap between the door and the doorjamb for a minimum of six inches both above and below the area of the latch. All glass doors or doors with glass panes will have shatter resistant film affixed to prevent glass breakage.

Identification and Access Badges

Movement within the Cannabis Business will be tightly controlled and regulated. Managers and employees of the Cannabis Business will wear identification badges with photo identification on breakaway style lanyards, at chest height. The identification badges will be the means to access areas of the Cannabis Business not designed for public access.

Persons other than management, employees, volunteers, vendors, and contractors may, from time to time, have legitimate reasons to visit our facility; such persons may include: law enforcement, political officials, government administrators, medical, health, and social service professionals, and the media.

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Besides the Cannabis Business's management, employees, volunteers, vendors, and contractors, no one, other than law enforcement or County agents, may enter the restricted areas of the Cannabis Business unless management has approved their visit.

No Weapons

No person will be allowed to be in possession of any firearm while in the Cannabis Business, without having first obtained a license from the appropriate state or local agency authorizing the person to be in possession of such firearms.

Public Exposure and Access

Product will be securely delivered to the facility or leave the facility to through. The facility will not be open to the public. This will ensure the safety and security of our employees, the visitors, and the cannabis product.

No unauthorized public access to the Cannabis Business shall be permitted.

Deliveries of Cannabis Product To/From the Licensed Premises

Product will be securely delivered to the facility. The facility will not be open to the public. This will ensure the safety and security of our employees, the visitors, and the cannabis product.

SECURITY PERSONNEL

Security personnel will perform security functions and keep records of having performed routine regular inspections of all security systems, barriers, gates, doors, and locks, immediately reporting any malfunctioning or compromised security feature to management. Any incidents qualifying as irregular or suspicious will be handled immediately.

The Cannabis Business will employ Security Personnel subject to the following requirements:

Registered Status

All Security Personnel will register and maintain valid registration status with the state of California's Department of Consumer Affairs. At no time will be any Security Personnel register with the State at any level that is less than that of a proprietary private security officer.

Proof of application and registration for all Security Personnel will be maintained by the Security Services provider hired by the Cannabis Business and will consist of copies of all relevant documentation including: application forms, receipts for application fees and live scan fees, and actual proof of registration.

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Identification

While on duty, all Security Personnel will have a nameplate containing the Security Personnel's full name and the word "SECURITY" printed in bold, capital letters. The nameplate will be exhibited prominently on the clothing, at chest level, and will be visible and easily read at all times.

The nameplate will be a minimum of two inches (2") high and four inches (4") wide, with the required information printed in capital letters, at least three fourths inches (3/4") high and in a contrasting color.

As an alternative to a nameplate, the Security Personnel's name and the word "SECURITY" may be embroidered on the Security Personnel's outermost garment with the required information meeting the above specifications and located at chest level.

PROPERTY MAINTENANCE

The Cannabis Business will take all reasonable steps to discourage and correct conditions that constitute a public or private nuisance in parking areas, sidewalks, alleys and areas surrounding a permitted facility and keep the premises and location in a clean and safe condition by, at a minimum, performing all of the following tasks:

1. Properly remove and store, in a secure manner, all trash, litter, rubbish and debris on the premises and location at the end of each business day;
2. Properly dispose of all trash, litter, rubbish and debris from the premises and location;
3. Removing graffiti from the property and parking lots under the control of the Cannabis Business within 72 hours of discovery.
4. Keeping driveways, sidewalks, park strips, fire access roads and streets on or adjacent to the premises and location clear and clean;
5. Providing lighting on the premises and location to ensure the safety of the public and the employees of the Cannabis Business; and
6. Otherwise operate in a manner that does not create or result in any significant adverse impacts upon its premises and location or within one hundred (100) feet of the premises and location.
7. Properly dispose of all cannabis waste generated from the premises and location including cannabis plants, flowers, trim, leaves, stems, seeds, any cannabis concentrate, and any product containing cannabis intended to be destroyed. We will keep a detailed record of the amount of cannabis waste rendered unusable along with the final destination of all cannabis waste. Prior to leaving the facility's premises or location, all cannabis waste will be rendered unusable and unrecognizable through mixing the waste with a non-consumable medium, including but not limited to one or more of those listed below, so that the resulting mixture is at least 50 percent non- cannabis waste. The resulting mixture may then be composted onsite, placed in the facility's wet bin for

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pickup or transferred to a waste disposal facility approved by the Chief of Police. The following inert mediums may be used in the mixture:

- Paper waste;
- Plastic waste;
- Cardboard waste;
- Food waste;
- Grease or other compostable oil waste;
- Bokashi or other compost activators;
- Soil;
- Other medium that will render cannabis waste unusable and unrecognizable.

Said waste will be stored and secured in a manner that prevents diversion, theft, loss, hazards and nuisance.

Performance Standards

The Cannabis Business will not conduct operation in a manner that creates or results in a public nuisance on the premises and location or within one hundred (100) feet of the premises and location, including but not limited to:

- Disturbance of the peace;
- Illegal drug activity;
- Public drunkenness;
- Drinking in public;
- Gambling;
- Prostitution;
- Sale of stolen goods;
- Public urination;
- Theft;
- Assault;
- Battery; or
- Acts of vandalism.

Compliance training will cover all municipal and state laws and requirements relating to cannabis. Obligations of licensed Cannabis Businesses will be emphasized. Other topics may include the rules and regulations of the Cannabis Business, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of cannabis users. The training will include at least one two-hour session with a licensed, subject-matter expert attorney who is a practicing member of the California State Bar.

Always On Time Consulting Sustainability Plan

Always On Time Consulting provides consistent, rigorously-tested Cannabis products and exceptional customer service through a honest, diverse, and expert staff. Always On Time Consulting is dedicated to providing a safe environment to both its staff and the community.

The responsibility of sustainability and environmental stewardship belongs to all users of a facility. A company will not only be judged on the quality of their goods and services, but also on their contributions to society and the care they show people and the environment (both inside and outside the organization). Competencies associated with environmental stewardship involve the need for managers to be able to plan, manage, and support Always On Time Consulting's commitment to protecting our resources and to oversee its commitment to sustainability of the built and natural environments. Always On Time Consulting will measure our performance success not only on the traditional bottom line, but also by maintaining harmony between society, the broader economy, and the built and natural environments. Sustainability efforts can have a large impact on our economic bottom line.

Project Sustainability

The literature suggests a large number of factors affect project sustainability. Factors that increase the likelihood of sustaining a project relate to:

- project design and implementation.
- the host organization.
- the broader community.

Recordkeeping

Additional steps may increase the likelihood of maintaining and meeting sustainability goals.

- Keep thorough and detailed records of sustainability and safety efforts.
- Good record keeping and reporting will allow Always On Time Consulting to quickly and efficiently showcase that we are in compliance with state regulations.

Records will promote quality assurance, may protect Always On Time Consulting in case of a legal investigation, and may protect public health in the event of a recall. Records will include:

- documenting each batch/lot of products sold.
- packaging and labeling procedures.
- copies of Always On Time Consulting's sanitation program.
- qualifications of the quality assurance person.

Worker Safety

Make worker safety a priority as safety training reduces healthcare costs while motivating employees to become more involved in projects such as a sustainability project.

Community Support

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Ethnically and culturally diversified businesses gather more community support than less diverse businesses. Community support is integral to grassroots movements such as making a cannabis company sustainable. Environmentally sustainable projects are more likely to succeed with community backing when compared to projects without support (Bullard, 2015). The Mountain and Plains Education and Research Center anonymously surveyed cannabis workers across Colorado. A majority of industry employees are Caucasian males below the age of 30 (Walters, 2017). Always On Time Consulting plans to hire local, diverse populations when recruiting for new hires. Consider creating a public forum to obtain community involved while simultaneously addressing any concerns or questions the public may have. Involving the community also completes the three goals of agricultural sustainability: providing environmental benefits, economic benefits, and social benefits.

Sustainability Matrix

The Matrix below identifies the sustainability initiatives and objectives that Always On Time Consulting projects need to target in order to build the potential for sustainability into our organization as a whole. Always On Time Consulting will seek to incorporate these sustainability objectives into our everyday operations and project plans during the development phase and continue to address them during the implementation phase. Always On Time Consulting will set performance indicators to match with targets and measure them periodically with report cards. Always On Time Consulting will consult with utility companies and be sure we apply for rebates and incentives associated with our efforts.

The Matrix is a working document and will be used to track progress and can continue to be developed as we identify new initiatives while working towards our sustainability goals. Studies have shown indoor air quality (IAQ) levels to be two to five times worse than outside air quality, and it has been estimated that up to 30% of buildings have IAQ problems. Therefore, IAQ issues may be added to our initiatives once our facility is complete and operations begin.

(Bullard, Robert. 2015. Environmental Justice in the United States. International Encyclopedia of the Social and Behavioral Sciences, Second Edition.)

(Walters, Kevin, Fisher, G., Tenney, L., & Kraiger, K. 2017. Work and Well-being in the Colorado Cannabis Industry. *Mountain and Plains Education and Research Center.*)

NOTE: All items indicated in 'bold' text throughout the tables provided below are initiatives that will be implemented within the first year of operation.

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WATER CONSERVATION

Sustainability Initiative:

Water and energy are the largest contributors to the industries environmental footprint.

Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
<p>Operate Efficiently</p>	<ul style="list-style-type: none"> • Reduce water use • Conserve water 	<p>Suggestions:</p> <ul style="list-style-type: none"> ○ Install waterless urinals ○ Install automatic flushers ○ Install low-flow fixtures and aerators 		<p>% decrease</p>	<p>% complete</p>

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EMISSIONS REDUCTIONS

Sustainability Initiative:

The carbon emissions created by cannabis cultivation may be offset by cannabis' ability to sequester carbon. The carbon sequestration potential of cannabis crops is on par with U.S. native trees and regenerating forests (Young, 2005). Cannabis potential is still below the potential of a managed plantation. However, greenhouse and outdoor cannabis operations require less energy when compared to indoor growing facilities (Young, 2005), making greenhouse/outdoor cannabis facilities the preferred, sustainable growers. Always On Time Consulting will utilize a blackout method within the greenhouse. Daylight will be used, as available to provide up to 12 hours of light to the plants. The blackout will be used to control to 12 hours. If 12 hours of daylight isn't available, lighting will be used as a supplement.

Composting reduces carbon dioxide, methane gas, and nitrous oxide emissions. Landfills are the largest producers of methane gas on Earth. Recycling, composting, and using materials efficiently will prevent the cannabis industry from adding to the landfill, thus reducing emissions.

Always On Time Consulting will not be performing carbon dioxide enrichment in the cultivation operations, reducing the amount of carbon dioxide typical of other cannabis operations. In addition, Always On Time Consulting will use a top-feed drip system for irrigation which minimizes water usage and therefore reduces runoff as well. This reduces the amount of runoff that needs to be collected and treated, further reducing energy usage. Lower water usage also reduces the energy needed to run the dehumidification process. Controlling humidity is essential to increase yield and reduce potential mold and other issues related with excess humidity.

Emissions will also be reduced via fleet management. The fleet greening plan includes the use of route management software (e.g. Onfleet, Samsara) which aids in planning route of travel and trips. This reduces unnecessary trips as many deliveries are included in one trip. It also, therefore, reduces the miles travelled. Drivers will be trained to drive the speed limit to provide for more efficient fuel usage. Drivers will turn off the engine when stopped for more than two minutes to further reduce fuel usage and subsequent emissions. Company vehicles will gradually be converted to hybrid vehicles, where possible.

Benefits:

Reducing emissions prevents waste from being added to the landfill, reduces costs to local governments to dispose of waste materials, improves air quality, increases energy efficiency, and improves the health of both employees and the public.

(Antos, Danielle. 2019. Sustainable Plastic Packaging Options for your Cannabis Products. CannabisIndustryJournal. com. Site accessed on October 21, 2019.)

(Young, Erin. 2005. Revival of Industrial Hemp: A systematic analysis of the current global industry to determine limitations and identify future potentials within the concept of sustainability. *Lund University*.)

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Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
Reduce Carbon Footprint	<ul style="list-style-type: none"> • Reduce carbon footprint • Reduce greenhouse gas emissions • Reduce air pollution 	<p>Suggestions:</p> <ul style="list-style-type: none"> • Change manufacturing process - High density polyethylene (HDPE) bottles and closures may be produced from ethanol (sugarcane) rather than traditional fossil fuels (Antos, 2019). • Use pressure sensitive and shrink labels to eliminate the need for flame treatment Flame treatments are traditionally used to make water-based adhesives, inks, and coatings bond with HDPE (Antos, 2019). • Reduce waste by recycling and reusing products. • Order supplies in bulk to reduce packaging. • Purchase products made with post-consumer recycled content, 		% decrease	% complete

Always On Time Consulting Sustainability Plan

		<p>wherever possible.</p> <ul style="list-style-type: none"> • Use cloud based solution to reduce internal need for printed paper. • Track Carbon Emissions ☑ track electrical use to help gauge carbon output. • Reuse left over water from the infusion process. • Utilize designated composting bins for: compostable paper, food scraps and non-cannabis plant debris. • Utilize only compostable tableware. Educate staff to put this in designated compostable bin. <p>Other suggested initiatives:</p> <ul style="list-style-type: none"> ○ Use teleconferences or Web Conferences rather than traveling to face-to-face meetings. ○ Provide incentives to employees who 			
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Always On Time Consulting Sustainability Plan

		<p>use alternative transportation.</p> <ul style="list-style-type: none">• Use hybrid or alternative fuel fleet vehicles.• Create a carpool or Vanpool program.• Introduce flexible work practices to reduce peaks in energy usage.			
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RECYCLING

Sustainability Initiative:

Cannabis waste is labeled as organic waste as long as it has not been combined with hazardous or toxic materials (Cal Recycle, 2018). Therefore, some cannabis waste may be reused.

There is potential to recycle packaging and manufacturing materials in the industry. Always On Time Consulting will require sustainable practices throughout the supply chain. Always On Time Consulting will work toward minimizing raw material use, purchase in bulk, and source locally, as able.

Benefits:

Reducing plastic use prevents plastic from entering the ocean, improving water quality.

Reducing waste reduces carbon emissions, thereby, improving air quality.

(Antos, Danielle. 2019. Sustainable Plastic Packaging Options for your Cannabis Products. CannabisIndustryJournal. com. Site accessed on October 21, 2019.)

(Cal Recycle. 2018. Cannabis Waste.

<https://www.calrecycle.ca.gov/swfacilities/compostables/cannabis> Site assessed on October 21, 2019.)

Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
Allocate resources to maximize utilization	<ul style="list-style-type: none"> • Reduce plastic use • Reduce waste • Reuse 	Suggestions: <ul style="list-style-type: none"> • Reduce product packaging size for products to reduce waste. • Use recycled polypropylene (PP) bottles (Antos, 2019). • Make packaging recyclable. • Use reusable sieves during extraction or recycle disposable sieves. • Recycle paper, plastic, glass, aluminum, rechargeable batteries; install signage. 		% decrease	% complete

Always On Time Consulting Sustainability Plan

		<ul style="list-style-type: none">• Recycle boxes and other cardboard materials.• Recycle pallets, pallet wrap and all other wood debris.• Recycle toner and inkjet cartridges.• Properly dispose of all batteries that cannot be recycled.• Recycle green waste (i.e. Compost food and landscape waste).• Recycle and reuse products, to the extent feasible.			
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Always On Time Consulting Sustainability Plan

ENERGY CONSERVATION & EFFICIENCY

Sustainability Initiative:

Energy demand is the largest contributor to the cannabis industry’s environmental footprint.

Benefits:

Reducing energy use relieves pressure from the power grid without compromising the integrity of the product. It also reduces greenhouse gas emissions.

Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
Operate Efficiently	<ul style="list-style-type: none"> • Reduce energy use • Increase energy efficiency • Reduce CO2 emissions 	<p>Suggestions:</p> <ul style="list-style-type: none"> • Use LED lights - LED lights use 75% less energy and lasts 25 times longer than incandescent lighting (Energy.Gov, 2019). • Attach a quantum meter to the LED lights ☐ LEDs only go on when the quantum meter drops below the minimum target. • Properly sized, energy efficient heating and cooling system. • Utilize an energy recovery ventilation system - energy recovery ventilation systems condition incoming fresh air by using recycled waste energy from the exhaust air stream. The recovery 		% decrease	% complete

Always On Time Consulting Sustainability Plan

		<p>ventilation system works with the HVAC system to both lower energy costs and to improve indoor environmental air quality (Walter, 2019).</p> <ul style="list-style-type: none"> • Create an Energy Efficiency Model - Model predicts how much energy a building may use based on construction materials, the buildings mechanical systems, site-specific characteristics, occupancy, and local average climate conditions. The model will pinpoint areas of weakness and allow for corrections (Quest, 2019). <p>Other suggested initiatives:</p> <ul style="list-style-type: none"> • Use motion sensors, timers or other lighting controls. • Unplug chargers when not in use. • Use Energy Star equipment. • Update insulation and/or windows. 			
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		<ul style="list-style-type: none">• Use programmable thermostats.• Tune up the HVAC and refrigeration yearly.• Set all computer monitors to turn off after 10 mins of inactivity.			
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Always On Time Consulting Sustainability Plan

RENEWABLE ENERGY

Sustainability Initiative:

Renewable energy is more readily available then ever.

Benefits:

Reducing our carbon footprint will assist in improving air quality and reducing greenhouse gases.

Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
Operate Efficiently	<ul style="list-style-type: none"> • Use less energy from traditional sources • Reduce carbon footprint 	Suggestions: <ul style="list-style-type: none"> • Research the Low Carbon Fuel Standard (LCFS) for credits. • Research buying power from renewable sources 		% decrease	% complete

Always On Time Consulting Sustainability Plan

TOXIC MATERIALS/WASTE MANAGEMENT

Sustainability Initiative:

Minimizing waste and toxic materials is essential in promoting sustainability while still utilizing important chemical materials. Waste minimization refers to the use of source reduction and environmentally sound recycling methods to reduce toxic waste (EPA, 2016). Prevention is also a valuable tool in promoting sustainability.

Benefits:

Improving waste management and minimizing the use of toxic materials makes for a safer work place, improved indoor air quality, as well as a cleaner environment. In addition to preventing workplace injuries, spill and leakage prevention may help keep waterways clean and lower air pollution.

(EPA. 2016. Hazardous Waste Minimization.

<https://archive.epa.gov/epawaste/hazard/wastemin/web/html/faqs.html> Site accessed on October 22, 2019.)

Organizational Goals	Sustainability Objective	Sustainability Actions	Responsible Person	Targets	Current Status
Reduce pollution and maintain safety	<ul style="list-style-type: none"> Prevent toxic materials and chemical substances from becoming airborne, aerosolized, or made into dust. Prevent toxic materials and chemical substances from running into sewers or waterways. 	Suggestions: <ul style="list-style-type: none"> Design and implement a comprehensive log of employee handling of chemicals. Keep commonly used personal protection equipment on hand – e.g, disposable booties, laboratory coats, appropriate NIOSH approved respirators (if needed), chemical-resistant splash goggles, chemical-resistant impervious gloves, beard nets, hair nets, and scrubs. Create a remote washing station or 		% decrease	% complete

Always On Time Consulting Sustainability Plan

	<ul style="list-style-type: none"> • Recycle when applicable • Reduce toxic waste 	<p>install a full shower.</p> <ul style="list-style-type: none"> • Keep sand, earth, or diatomaceous earth on hand in case of leaks/spills. • Immediately inform authorities if a leak does occur. • Keep drains covered in work areas to prevent toxic materials from going into waterways and sewers. • Recycle waste packaging. • Follow the EPA's waste minimization hierarchy: source reduction (waste prevention), recycling, energy recovery (converting waste into fuel), treatment, and disposal (EPA, 2016). • Dispose of non-recyclable products via a licensed disposal contractor. • Use the Landfill/Incineration as a last resort. 			
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CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 23-002

DATE: January 12, 2023

TO: Planning Commission

FROM: Acting Development Services Director

SUBJECT

Minutes of the Planning Commission Meeting on December 8, 2022

RECOMMENDATION

That the Planning Commission approve the minutes of the Planning Commission meeting of December 8, 2022

SUMMARY

The Planning Commission held a meeting on December 8, 2022

ATTACHMENTS

Attachment I Draft Minutes of December 8, 2022



**PLANNING COMMISSION MEETING
COUNCIL CHAMBERS AND VIRTUAL (ZOOM)
PARTICIPATION
Thursday, December 8, 2022, 7:00 p.m.**

The Planning Commission meeting was called to order at 7:05 p.m. by Chair Ali-Sullivan. The Planning Commission held a hybrid meeting in the Council Chambers and virtually via Zoom.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: COMMISSIONERS: Goldstein, Lowe, Roche, Stevens
CHAIRPERSON: Ali-Sullivan
Absent: COMMISSIONER: Bonilla Jr.
CHAIRPERSON: None

Staff Members Present: Lochirco, Madhukansh, Morales, Ochinero, Ott, Parras, Schmidt, Sidelnikov, Tabari, Vigilia

PUBLIC COMMENTS

Ms. Ro Aguilar, Zoom participant, made the following comments about state regulations on affordable housing: the state had to intervene as locals were not doing an effective job of resolving the housing issue, that the state has contributed billions and that there was only 2% improvement in homelessness as a result of all the funding, stated that there are over 400 members of the homeless population in Hayward in need of shelter, expressed these numbers would be higher in 2023, and urged the Planning Commission to advise the City Council to buy or lease more hotels and motels for the homeless especially during the winter months. She wished everyone happy holidays.

Mr. Gabriel Altamirano, with South Hayward Neighborhood Association participated via Zoom, expressed the following concerns related to the St. Regis project: that there would be no planning approval and that the project would be exempt from a CEQA review, due to the increased intensity of this use the project may have adverse impacts, could not imagine a project of this size not going through the Planning Commission for discretionary review, there were no formal notices online of hearings and noted that the hearings held were related to grant funding.

WORK SESSION

1. Affordable Housing Ordinance Feasibility Study: Review and Discuss Findings and Policy Recommendations **(WS 22-038)**

Housing Division Manager Morales shared that the City Council had identified evaluation of the Affordable Housing Ordinance as one of the priority items for their Strategic Roadmap



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in 2020, and that in March 2022 staff initiated the process of evaluating outcomes and performance of the existing ordinance which was modified in 2018. Based on the recommendations from the City Council, Homelessness-Housing Task Force and the Planning Commission, the city contracted with Strategic Economics to conduct a feasibility study with a purpose of maximizing amount of affordable housing that could be produced by the ordinance. She introduced Mr. Derek Braun, consultant with Strategic Economics, who presented the findings of the feasibility study.

Commissioner Lowe indicated the presentation was thorough and informative, stated that the consultant was surmising Hayward is producing more inclusionary units than other communities because the city has lower requirements and asked if the consultant had looked at Fremont's ordinance or policies so that Hayward can mirror what they are doing to produce more inclusionary units while maintaining higher requirements. Mr. Braun responded that his firm had pulled detailed information on comparable cities including Fremont and noted that they have high requirements for in-lieu fees and inclusionary units especially for ownership housing products. He added that Fremont commands high sales prices and rental rates, which are higher than many communities including Hayward.

Commissioner Lowe was aware that Fremont does demand higher sales prices and wondered if there was something within Fremont's policy that could be adopted by Hayward to have higher requirements than what was recommended as she was concerned that the proposed was a mere increase from 10% to 12% and the ordinance was not modified often and only every five to seven years. She asked what the process was to ensure the identified percentages would keep up with inflation commenting that 12% seemed low.

Mr. Braun responded that the requirement was not just changing from 10% to 12% overall, adding that it was being split so that 6% would be for moderate income households and 6% to low-income households, and emphasizing this was a significant change in adapting the policy to target lower income households than historically done in the past. In terms of projecting forward, he shared that a sensitivity analysis was conducted to look at increases in construction costs that may occur, interest rate changes, and other potential conditions that may be changing that can limit what can be done with the projection. The goal is to leave enough room in the policy so that even if a development were to become less feasible, it may still work. With regards to inflation, he indicated that the effect of this right now was driven by the return requirements for lenders of market rate developers and what they were hearing throughout the Bay Area was that capital markets were starting to freeze up as there were uncertainties adding to complications about the future.

Commissioner Lowe asked why 12% was specifically selected rather than 14% or 15%. Mr. Braun stated that 12% was selected based on an analysis that showed if there were increases in hard costs of construction such as a 2-5% rise, then single family homes would remain



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feasible or marginally feasible making production still likely. He shared that with construction cost increases around 5%, townhomes with modified inclusionary requirements would likely be infeasible and therefore they did not want to increase the percentage further due to risk of ceasing development and resulting in no inclusionary units.

Commissioner Lowe expressed that she was confused about the recommendation and stated that she was aware that there were incentives and bonuses for the developer in order to get them to create the inclusionary units rather than pay for the in-lieu fees. She asked if the recommendation gives the city discretion versus the developer having the discretion. She was concerned about developers having total control and discretion to decide when to build or pay in-lieu fees and felt that this decision should be up to the city.

Housing Manager Morales responded that based on staff's research, discussions with developers and in looking at how construction costs can affect feasibility, she noted that an increase of 5% in construction cost was low and that this was the trend on an annual basis. Having this flexibility increases feasibility as it provides developers with options. She pointed out that projects that were choosing to do on-site inclusionary units tended to occur without the city restrictions for larger projects. Ms. Morales exemplified that presently, of the projects that are entitled or have submitted applications under the new requirements, 19 projects had opted to do onsite inclusionary units. She added that an average project size was under eighty units for a total of 1,480 units, which would be 144 inclusionary units. There were 25 projects that were choosing to pay fees, with an average project size of six units, total of 156 units, underscoring that the actual number of units actually scheduled to pay fees was low. Ms. Morales stated that it was these small projects that create a lot of burden for staff in terms of negotiating affordable housing agreements, monitoring for compliance, and the developers are usually smaller with less experience. These are the types of projects that staff try to encourage that developers pay in-lieu fees as the fees are needed in order to produce the units for very low and extremely low-income households. She added that the fees are also needed for the staff who do the compliance monitoring for the affordable housing ordinance. Ms. Morales emphasized that in deciding that certain types of projects should be scheduled to pay fees, that this would not only reduce flexibility for the developer, but it would also affect staff being able to negotiate which types of projects are best suited for paying in-lieu fees versus providing on-site units.

Assistant City Manager Ott commented that every project site for development projects is different, with different conditions, developers with varying experience and levels of sophistication, financing, and staff need flexibility to be able to respond to the specific conditions of their deal, transaction, and site. By taking the flexibility away it would make it harder, staff does not have the due diligence on every parcel as the developer would and may not understand the financing transaction as the developer would, and it was valuable for the developer to have the flexibility to move projects forward and to do so expeditiously. Ms. Ott



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said that staff wants to ensure that there are requirements in place to produce housing through fees or onsite construction.

Commissioner Stevens said that in a world where developers compete as they look to develop projects, as the City of Hayward competes with other cities, how does changing these rules change developer's perception and ease of development, wondering if they may choose a different community to build their project in.

Mr. Braun responded that Commissioner's Stevens comments are the reason for the analysis reviewing the requirements of neighboring cities or those with similar market conditions. He stated if the city adopts inclusionary requirements and in-lieu fees at a level allowing developments to proceed then there are still incentives for developers to produce housing in Hayward, underscoring that it was the intent of the analysis to identify a good balance to move projects forward.

Commissioner Stevens stated that it was impossible to predict the future, it was discussed that construction cost increases were estimated to be 5%, noted that the California Construction Index went up 25% and that it was starting to come down and become more reasonable. He stated that for builders who have to predict the future when faced with high costs, increasing interest rates, housing prices falling, it was worrisome to him to be changing rules when going into a mysterious future.

Assistant City Manager Ott shared that staff was also worried and therefore want to balance desire from various commissions and policymakers that the city should do more, staff's recommendations are walking a fine line, and this was prior to knowledge of an impending recession. She stressed that the chances of pushing this over and impacting housing production are greater now. Based on the analysis and feasibility study done by Strategic Economics, she stated that marginally increasing inclusionary ownership products of lower density and staff was concerned that if they increased requirements then this could impact production and potentially have the opposite effect than was intended with the policy.

Commissioner Stevens asked if everything remained the same and of the 10%, if 5% went to moderate and 5% to low-income, this would be consistent with unknown moving towards.

Assistant City Manager Ott responded that this would be less likely to impact the feasibility and make it less of cost impact to development.

Commissioner Stevens stated in looking at Fremont and Hayward being successful with their production rates, wondered if Hayward's geographic location and being an employment center were the reasons for its success. Mr. Braun responded that it was reasonable to deduce this as Fremont was a major employment center and was well positioned to transportation



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connections, and this factors into market considerations for why they have higher housing prices.

Mr. Braun clarified for Commissioner Goldstein that the approach used to display results is a residual land value analysis that is the amount left to pay for land after subtracting project costs from the project sale price and required return on investment, adding that it was based on the per square foot of land area. He elaborated that the residual land value for a higher density rental product could not support paying for land after accounting for value of rents it could receive after construction costs and return on investment.

Commissioner Goldstein commented that this was a scary realization for the five-story podium projects indicating that these projects should not be built and wondered why they are getting built. Mr. Braun responded that that a lot of projects that are being built that are higher density rental projects were permitted under the previous iteration of the affordable housing ordinance prior to 2018.

Assistant City Manager Ott added that the Lincoln Landing project which is the City's most recent market rate multifamily housing project, is an opportunity zone and the project was able to take advantage of federal financing and tax benefits, enabling the project to advance.

Mr. Braun underscored that the Lincoln Landing project had special circumstances including approval under previous inclusionary housing requirements and other housing advantages. Commissioner Goldstein commented that the recommendation was a great representation of feasibility but noted that it does not factor in outside funding which a developer may receive.

Commissioner Roche asked if there was a range considered when arriving at 12%. Mr. Braun responded that several inclusionary requirements were evaluated with ranges varying from 12% to 20%, staff reviewed the impact of feasibility of each requirement, looked at different variations of moderate-income units versus the low and moderate income split, and ultimately based on feasibility results and policy guidance arrived at incorporating the low income requirement and increasing the inclusionary requirement while leaving some room for changing conditions. He confirmed for Commissioner Roche that 12% was the stopping point.

Housing Manager Morales noted for Commissioner Roche that the sensitivity analysis accounts for how much increase in costs can be absorbed by a project over time to ensure that requirements continue to be feasible. She shared that a prior study included a similar range, and that staff decided that due to market conditions it was better to be lower than maximum, to do otherwise would risk production of housing being affected. Considering neighboring cities who have 15% inclusionary housing requirements but are not producing any moderate-income units for ownership such as San Leandro and Union City, and that have similar median



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income levels and rent as Hayward, there is concern that a high inclusionary requirement will have the same effect of slowing the market as experienced by adjacent jurisdictions. She underscored the importance of being sensitive to changing market conditions, and that going on the aggressive side may cause constraints to production of ownership units.

Housing Manager Morales confirmed for Commissioner Roche that with all of the housing types, the developer did have the option to choose between in-lieu fees or providing onsite affordable units.

Commissioner Roche pointed out that in reviewing the number of inclusionary units built in Hayward compared to neighboring cities, Hayward had more, adding that some of these did come from the smaller projects. Ms. Morales responded that there are number of projects that have been entitled and are smaller projects that will produce inclusionary units. She noted that it was staff's experience with working with smaller developers, it takes a lot of time to negotiate the affordable housing agreements, to educate developers on the affordable rents that are required, what is required in marketing and management of these units, and it takes a lot of staff resources. She shared that there is one staff member responsible for overseeing compliance with affordable housing requirements. Having a lot of small projects producing a few units will place a substantial burden on staff, especially if there is no fee revenue coming in to pay for costs for staff to perform this work. Ms. Morales added that what was apparent was projects would get entitled and not many of these were being built, these projects are not pulling permits. The underlying concern is to evaluate the feasibility of rental housing projects based on the study, when there is a pause in getting entitlement and getting built it is because the developer is looking for financing, the longer this takes the less likely it is that these projects may not actually get built.

Commissioner Roche asked if there was a shift in the policy for small projects to readily accept in-lieu fees and not push for inclusionary units. Housing Manager Morales shared that there may be a need for flexibility by smaller projects that choose to access the density bonus and would not want staff to be constrained to require these projects pay fees as they are smaller projects if the developer was inclined to provide a couple inclusionary units and provide more overall units. In conjunction with the two ordinances, staff thought it was an ideal situation and to discuss with the developer what the best approach is, as they have been doing. Ms. Morales stated that naturally the smaller projects have been paying fees and the larger ones have been constructing the onsite inclusionary, not requiring a lot of intervention.

Housing Manager Morales noted for Commissioner Roche that the loosening of requirements on implementation were in reference to developers wanting the city to allow use of tax credit rents instead of the rents produced by the Health and Safety Code. She stated that this would have to be carefully evaluated by attorneys to see if the tax credit rent could be used for these projects. For projects that use a density bonus, they would have to use Health and Safety Code



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for at least 20% of the units. She noted that this comment was regarding a perception that the city required the use of a specific organization to market units, when in reality it was the previous owner of the same development who selected the company doing the initial marketing and sale of the units, noting this was not a city requirement. She said that it was good to know what type of flexibility is desired by the developer and ensure that marketing is equitable and ensure that all Hayward residents have access to these units.

In regards to in-lieu fees, Housing Manager Morales noted for Commissioner Roche that the collected fees are restricted for production of affordable housing units in Hayward. She shared that the city has been noticing funding availability to allocate funds and in subsequent years when there were projects with funding gaps, there would be City Council approval of available funds to close funding gaps and to move forward with affordable housing projects. As a result of this, three affordable housing projects were able to move forward, with one project closing on all loans and starting construction in November, it was anticipated a second project was to close middle of next year, and a third project had started construction last year.

Commissioner Lowe asked if in-lieu fees could be used by the city to purchase hotels to house members of the unhoused population. Housing Manager Morales responded that there was language in the affordable housing ordinance which stated that funds can be used to subsidize projects that serve populations that are experiencing homelessness, if it is determined that the use will offset the rate of market rate development. Ms. Morales indicated that this would require further analysis if in-lieu funds are to be considered for target populations. She added that the funds may be used for affordable housing developments that target extremely low-income households and provide permanent supportive of housing. She shared that with home key projects and in receiving submittals from hotels interested in selling their properties, there had been an increase in sales prices of these hotels which affects the feasibility whether the City has sufficient money to acquire a hotel. In relation to the amount of affordable housing in-lieu fees and the sales prices for acquisition of the hotels, it would not be enough money to acquire a hotel.

Chair Ali-Sullivan appreciated the well-thought-out analysis. He shared that one conclusion he drew from the presentation was there should be no expectation of any rental units to be built in Hayward, which was shocking and problematic to him. He stated that presently without any affordable housing requirements, that no high-density projects and very few smaller rental projects seem feasible with the current affordable housing requirements. He stated that losing out on rental property in the city was a significant problem, and that both rental and home ownership on the affordable side. If the existing affordable housing requirements preclude the ability of any type of rental to be developed then, not making any changes to the rental piece of the recommendation was questionable. Housing Manager Morales responded that these concerns were raised in March of this year and that they were not seeing high density rental projects being proposed. She stated that the study reinforced that it would be



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difficult to build high density rental housing in Hayward. In previous iterations of the analysis, rent would need to increase by 40% for rental housing to be feasible. However, Ms. Morales stated that the affordable housing ordinance would create an opportunity if fee revenue is collected, this could be used to subsidize the development of affordable rental housing to get a mixture of homeownership of moderate income and low-income households through market rate development and use in-lieu fees to subsidize rental housing. Ms. Morales added that populations identified from the displacement study could be targeted of those most at risk of being displaced and potentially becoming homeless due to affordability concerns. She stated that there are two opportunities there when market conditions are such that the market can't produce rental housing that's when the affordable housing developers could help fulfill that need.

Assistant City Manager Ott added that there was multifamily rental being built in the city, this was affordable housing heavily subsidized by public subsidies or cases of it being built on the city's own land such as Parcel Group 3 or Parcel Group 8 which had almost 300 units of multifamily residential housing.

Chair Ali-Sullivan asked if there was any thought given to reduce requirements on rental projects. Housing Manager Morales shared that this was considered initially and was proposed to the Homelessness-Housing Task Force and there was concern about reducing the requirements, in essence this would not change the feasibility as the requirements are a small percentage of the development costs. She said that considering the point from East Bay Housing Organizations and its minimal effect on feasibility, they want to make sure that the city is in a position when rental housing is feasible to collect the fee revenue or have onsite inclusionary units when the market changes. Ms. Morales added that there were small rental projects in the pipeline and would not want to lose any potential fee revenue or onsite units if removed the requirement suddenly.

Chair Ali-Sullivan stated that the impacts would be on low density projects. He asked what was being built in Hayward, noting in the last couple years what had gone before the Planning Commission was a vast majority of a higher density type. He was concerned that the affordable housing requirements were being increased on a product not already being built in Hayward and therefore would not achieve an increase in affordable housing.

Housing Manager Morales shared the following products that had been recently approved that are not subsidized including La Playa Commons which will provide 6 units of affordable housing, TrueLife project with 50 townhomes, noted that Mission Crossings had 14 affordable units for sale, TrueLife project located in parcel group 2 will provide 20 affordable units, underscoring that more of this product type will become available.



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Planning Manager Lochirco shared that with developments in the pipeline right now, majority are a townhome style development and constituted a detached units and were under 50 units in size making it a smaller sized project. He stated that with market rate rental projects, Maple and Main was recently entitled and this proposed affordable units but was not under construction yet. He noted that there was not a lot of rental market rate coming forward as was discussed by Ms. Morales. He shared that some projects had slowed down due to the temperature of the economy and financing hurdles, highlighting that most of what is being built was entitled pre-pandemic and these projects had secured their financing a couple years ago when the interest rates and costs were low.

Chair Ali-Sullivan appreciated the comments expressed by Commissioner Stevens on the impact these policies will have for development in Hayward. He underscored the desire of the Planning Commission to see affordable units constructed in the City of Hayward, what was clear was the desire and the economic reality were not aligning, and this was troubling. The challenge was balancing policy with actual effect and hoping that the proposals will lead to a positive result.

Chair Ali-Sullivan opened the public hearing at 8:30 p.m.

Ms. Ro Aguilar, participated via Zoom, expressed comments focusing on owner occupied inclusionary affordable housing as this was the most effective in strengthening the middle class. She stated that it appeared that single-family townhouses in the moderate and low-income can be profitable under the current requirements due to the city incentives. She added that if the City Council were to require onsite affordable housing for single family townhouses within an optimum of 20-30 units as a trial, and not raise the percentage, and require that the decision-making go back to the City Council. Ms. Aguilar said that if this category is profitable then the low number of owner-occupied inclusionary housing to date must primarily be a result of anticipated community opposition. She stated that without deed restricted affordable housing, moderate and low-income people are being barred from homeownership. With gentrification, such as the Oak Street townhouse development, only market rate houses are being built pushing out lower income families who live in the neighborhood now. Ms. Aguilar underscored if the developer is required to build affordable housing, then there will be no backing out and the City Council can focus on addressing concerns rather than considering rejection. She urged that the Planning Commission recommend that the City Council explore this model.

Mr. Gabriel Altamirano with South Hayward Now Association participated via Zoom, echoed Ms. Aguilar's comments about the need for low, very low and extremely low housing in Hayward. He shared that the Association of Bay Area Governments regional housing needs determination makes it half of what is required. He understood the recommendations for in-lieu fees, it seemed the city was taking a position to build higher, moderate or above moderate



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units and cautioned to be careful about this. He shared what community members could do to make certain that in-lieu fees are being spent appropriately and to hold the city and developers accountable.

Chair Ali-Sullivan closed the public hearing at 8:37 p.m.

Commissioner Lowe understood the staffing issues and not being overburdened by too much discretion being placed on the city, however, ideally it would be great to see the developer build the inclusionary housing and for the in-lieu fees to be at the discretion of the city. She commented that the in-lieu fees that are paid are not worth the same amount as a new inclusionary unit and felt that the in-lieu fees should be the exception and not the rule. She understood the fear of having a percentage that is too high, and it seemed logical that if Hayward remained less strict than surrounding cities, developers would still choose to build here. She worried that the city was being too cautious and thereby not maximizing what it could as it relates to affordable housing.

APPROVAL OF MINUTES

2. Minutes of the Planning Commission Meeting of September 8, 2022

- A motion was made by Commissioner Stevens, seconded by Commissioner Lowe, to approve the meeting minutes of September 8, 2022.

The motion passed with the following roll call votes:

AYES:	Commissioners Goldstein, Lowe, Roche, Stevens
NOES:	None
ABSENT:	Commissioner Bonilla Jr.
ABSTAIN:	Chair Ali-Sullivan

3. Minutes of the Planning Commission Meeting of November 10, 2022

A motion was made by Commissioner Goldstein, seconded by Commissioner Roche, to approve the meeting minutes of November 10, 2022.

The motion passed with the following roll call votes:

AYES:	Commissioners Goldstein, Lowe, Roche Chair Ali-Sullivan
NOES:	None
ABSENT:	Commissioner Bonilla Jr.



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ABSTAIN: Commissioner Stevens

COMMISSION REPORTS

Oral Report on Planning and Zoning Matters

Planning Manager Lochirco acknowledged that this meeting was Commissioner Roche's last as a Planning Commissioner noting that she had served on the Planning Commission since 2019 and served on the Community Services Commission prior to this, being appointed in 2015; and wished her the best and congratulated her on being elected to serve on the City Council. He shared that a resignation was received from Commissioner Oquenda in November and announced that on December 6, 2022, the City Council had appointed Ms. Arti Garg to the Planning Commission. In the meantime, a special recruitment was being held for any vacancies occurring on the Planning Commission, followed by an election of officers for this meeting body in January 2023. Mr. Lochirco shared that due to upcoming holidays, the Planning Commission meeting scheduled for December 22, 2022, was being cancelled, and wished everyone a safe and pleasant holiday season.

Commissioners' Announcements, Referrals

Chair Ali-Sullivan wished everyone a wonderful end of the year and appreciated all the hard work put into the Commission. He congratulated Commissioner Roche on being elected to the City Council, thanked her for her friendship and professional mentorship on the Planning Commission, and was proud with her dedication to the city noting that it would continue.

Commissioner Roche thanked everyone and indicated that she had learned so much from her time serving on the Planning Commission and that this experience will aid her in the future.

ADJOURNMENT

Chair Ali-Sullivan adjourned the meeting at 8:46 p.m.

APPROVED:

Brigitte Lowe, Secretary
Planning Commission



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ATTEST:

Avinta Madhukansh-Singh
Interim Planning Commission Secretary
Office of the City Clerk