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



Agenda

Monday, November 6, 2023 5:00 PM

Conference Room 2A and Virtual Platform (Zoom)

Council Economic Development Committee

Council Economic Development Committee

Agenda

NOTICE: The Council Economic Development Committee will hold a hybrid meeting in Conference Room 2A and virtually via Zoom.

PUBLIC PARTICIPATION

How to submit written Public Comment:

Send an email to economic.development@hayward-ca.gov by 2:00 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 Council Economic Development Committee and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. Written comments received after 2:00 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 meeting.

Participate at Hayward City Hall, Conference room 2A or click the link below to join the meeting:

Please click the link below to join the webinar: https://hayward.zoom.us/j/83020938182? pwd=qTCyauDdnMzf4zNATbhP6Hdf7tlH39zHpU._4eFtQtLbxTAvovZ Webinar ID: 830 2093 8182 Password: CEDC-11/6!

Or join by phone:

US: +1 669 900 6833 or +1 646 931 3860

Webinar ID: 830 2093 8182 Password: 8798641417

A guide to attend a virtual meetings is provided at this link: https://bit.ly/3jmaUxa

CALL TO ORDER

AB 2449 TELECONFERENCE NOTIFICATIONS AND CONSIDERATION

ROLL CALL

PUBLIC COMMENTS

(The PUBLIC COMMENT section provides an opportunity to address the Commission/Committee on items not listed on the agenda. The Commission/Committee welcomes 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/Committee 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. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Commission/Committee meeting. The City is committed to maintaining a workplace free of unlawful harassment and is mindful that City staff regularly attend Commission/Committee meetings. Discriminatory statements or conduct that is hostile, intimidating, oppressive, or abusive – is are per se disruptive to a meeting and will not be tolerated.)

APPROVAL OF MINUTES

MIN 23-112 Approval of the October 2, 2023 CEDC Regular Meeting

Minutes

Attachment I Draft Minutes from the October 2, 2023 CEDC

Meeting

REPORTS/ACTION ITEMS

RPT 23-110 Commercial Cannabis Program: Status Update on Existing

Cannabis Businesses and Discussion on a Possible Restorative

Justice Component Tied to Program Enforcement

Attachments: Attachment I Staff Report

Attachment II Cannabis Status Report October 2023

RPT 23-108 Hayward Upward Economic Recovery Plan Update: Tuition

Assistance

Attachments: Attachment I Staff Report

FUTURE AGENDA ITEMS

RPT 23-107 Future Meeting Topics as of November 6, 2023

Attachment I Future Meeting Topics as of November 6, 2023

COMMITTEE MEMBER/ STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



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

File #: MIN 23-112

DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT

Approval of the October 2, 2023 CEDC Regular Meeting Minutes

RECOMMENDATION

That the Committee members review and approve the attached draft Minutes from the October 2, 2023 Regular Meeting.

ATTACHMENTS

Attachment I Draft Minutes from the October 2, 2023 CEDC Meeting



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES - October 02, 2023

CALL TO ORDER: Mayor Salinas called the regular meeting to order at 5:00 p.m.

ATTENDANCE: (October 2023-July 2024)

		All Meetings Year to Date		Meetings Mandated By Resolution	
Meeting Attendees	Present 6/5/2023	Present	Absent	Present	Absent
Mayor Salinas	✓	1	0	1	0
Council Member Andrews	✓	1	0	1	0
Council Member Bonilla	✓	1	0	1	0

OTHERS IN ATTENDANCE:

Paul Nguyen, Chief Economic Development Officer; Daniel Mao, Economic Development Specialist; Amber Green, Economic Development Specialist; Javier Castro, Administrative Assistant; Phillip Nichols, Code Enforcement Manager; Michelle Torres, Senior Code Enforcement Inspector; Roland Hull, Code Enforcement Inspector I; Michael Berne, MJB Consulting; Sonia Waraich; Favio Martinez.

PUBLIC COMMENTS

Chief Economic Development Officer Nguyen introduced Amber Green as the new Economic Development Specialist. Ms. Green served with the City's Code Enforcement Division prior to joining the Economic Development. Ms. Green will initially be tasked with engaging downtown vacant property owners and their real estate brokers.

1. APPROVAL OF MINUTES OF REGULAR MEETING June 5, 2023

A motion to approve the minutes from the June 5, 2023, Regular Meeting was made by Council Member Bonilla and seconded by Council Member Andrews. The minutes were approved.

2. VACANT PROPERTY MONITORING PROGRAM UPDATE

Chief Economic Development Officer Nguyen introduced Code Enforcement Manager Nichols who then presented on the status of the Vacant Property Monitoring Program's activities.

Mayor Salinas asked if this program covers properties that have no building. Specifically, he asked if the program applied to the vacant land on B Street at Main Street. Senior Code Enforcement Inspector Torres stated that particular property has an active planning entitlement application under review and

Hayward Council Economic Development Committee Regular Meeting Minutes October 2, 2023 Page 2 of 3

as a result is not currently subject to the program.

Council Member Andrews asked about current vacant buildings on Hesperian Boulevard. Senior Code Enforcement Inspector Torres answered that they are working with those properties and are aware. Council Member Andrews asked are we able to motivate property owners to fill the vacant space. Senior Code Enforcement Inspector Torres stated that they can only motivate property owners to keep the properties clean. There are no incentives to motivate property owners to fill vacant spaces.

Code Enforcement Manager Nichols stated that outreach and education will be essential for the program to move forward. He stated that bringing people to the table will help and stated Code Enforcement Inspector Hull had experience with the commercial industry and will facilitate the conversation with vacant property owners.

Code Enforcement Manager Nichols stated that the Division plans to explore with Housing and Economic Development staff on utilizing funds from fees and penalties to establish mitigation programs.

Council Member Andrews questioned if Code Enforcement is looking at bigger square footage buildings such as vacant banks or big restaurants differently. Chief Economic Development Officer Nguyen answered the question and stated that they are combining resources to engage the property owners. Staff works collaboratively to give property owners ideas on potential reuses, steers prospective tenants to the property owners, and offers the resources of the Business Concierge Program to help fill the vacancy. He also stated that it is often cost-prohibitive for a large building to be subdivided into smaller tenant spaces or turned into a food hall.

The committee thanked Code Enforcement Manager Nichols and his team for the presentation.

3. DOWNTOWN RETAIL WALKING TOUR AND VACANT PROPERTY DISCUSSION (ORAL REPORT ONLY)

Chief Economic Development Officer Nguyen introduced Consultant Berne who then gave a brief presentation describing the route and themes to be discussed on the tour.

The Committee thanked Consultant Berne for his presentation and the Committee proceeded to participate in a downtown walking tour narrated by Consultant Berne.

Consultant Berne walked to the corner of B Street and Watkins Street and discussed the challenging state of the grocery store market. He stated cities typically support two major grocery chains, but the market has been shifting to one and a half stores. Consultant Bernes added currently Kroger and Albertsons may be merging, which would have even more implications for grocery store development in the future. Consultant Berne stated that Starbucks wants to expand its drive-thru locations, and if the Starbucks on Mission Blvd. and A St can acquire a drive-thru it would open more opportunities on B St. He stated that one detractor to B Street is the one-way traffic does not maximize visibility needed to attract businesses or visitors downtown.

Consultant Berne then stopped near 946 B Street. (Music Depot and Ska Dog Records). He discussed the changing retail evolution and synergy. He stated the benefits of two record stores near each other. He stated that if there was only one record store that operated downtown, it alone may not have

Hayward Council Economic Development Committee Regular Meeting Minutes October 2, 2023 Page 3 of 3

survived.

Consultant Berne stopped at 1049 B street and discussed the economics of subdividing floor plates, and "second generation" restaurants spaces. Consultant Bernes stated retail stores in the past were bigger and subdividing the space into two or three smaller spaces is more common today. He stated that there is no purpose in subdividing if the rent will not cover the costs. He also stated that subdividing can also create other code compliance concerns such as access, restrooms, and other required building standards.

Consultant Berne stopped at 1069 B Street (Century Theaters) and discussed the state of cinemas, non-traditional retail formats, attracting (seasoned) operators from beyond Hayward, and daytime synergies. He added that Cinemark is one of the healthiest movie chains in comparison to Regal and AMC. He discussed how the streaming of movies is a major competitor to movie theatres and that to be viable movie theaters need to offer different experiences compared to watching a movie at home. He stated that the Century Theater on B St. should consider improvements such as adding recliners, offering beer and wine, and having concessions delivered to the seated patrons. He noted that the Cinemark at Southland Mall upgraded to these amenities.

Consultant Berne added that the new Arthur Mac's restaurant, which will use modified shipping containers and offer outdoor seating, is an interesting new concept. If this business does well, this could lower the barrier to new entrepreneurs and help attract other businesses. He stated that allowing new food concepts downtown can bring excitement and draw more seasoned operators from outside of Hayward.

Consultant Berne stopped at B Street and Foothill Blvd. and discussed public art and placemaking. He added that adding public art or a point of interest at this intersection could serve as a major attraction given the volume of traffic on Foothill. It would signal to people that this is the gateway to downtown Hayward.

Consultant Berne stopped at 22501 Foothill Blvd (Former CVS Pharmacy) and discussed the changing landscape of retail pharmacies, which are shrinking their physical footprints as online mailorder pharmacies, and larger brick-and-mortar stores such as Walmart and Target gain more market share.

Consultant Berne made his final stop at 1025 A street (East Bay Eats Food Hall). He described this project as an example of the exciting developments in downtown Hayward. He stated that while the project was not on B Street, it did have the potential to be a catalytic project. Consultant Berne concluded the tour stating that there was no "silver bullet" in transforming a downtown district. He stated that Hayward was unique in that there were not many downtowns of this scale in the East Bay. He stated that combined businesses such as East Bay Eats, Vivoz, Buffalo Bills and Aurthur Macs show there is an upward trajectory for downtown Hayward.

The committee thanked Consultant Berne for the tour.

ADJOURNMENT: The meeting was adjourned at 6:07 p.m.



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

File #: RPT 23-110

DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT

Commercial Cannabis Program: Status Update on Existing Cannabis Businesses and Discussion on a Possible Restorative Justice Component Tied to Program Enforcement

RECOMMENDATION

That the Council Economic Development Committee (CEDC) reviews the report and provides feedback and direction to staff regarding the challenges to opening cannabis business and a prospective restorative justice component of the City's Commercial Cannabis Program.

SUMMARY

In 2017, Council adopted a new regulatory and land use ordinance to establish guidelines for personal cultivation and establish land use guidelines and development standards to allow for commercial cannabis cultivation, distribution, delivery, manufacturing, testing, and retail dispensary activities in the City. In 2021, amendments were made to the City's commercial cannabis regulatory framework to address several issues and inconsistencies with recent changes in State law and create a streamlined process to evaluate and select commercial cannabis operators, consistent with industry best practices.

Despite the most recent program and regulatory updates to the Commercial Cannabis Program, eight of the thirteen permitted cannabis businesses have not opened and are in varying stages of the process (Attachment II). Based on feedback from various applicants, staff identified three possible explanations that may be impacting the opening of those cannabis businesses, which are summarized in this report.

In February 2023, Council adopted additional amendments to the fees and penalties portion of the Commercial Cannabis Program to help clarify when fees and penalties are assessed and to curtail the number of illegal cannabis operations in Hayward. At that time, Council also recommended a restorative justice component be considered as an enforcement alternative for those subject to fines and penalties. Staff is currently evaluating other City programs where a restorative justice component may be applied and once completed, will return to City Council at a future date with additional details and recommendations.

File #: RPT 23-110

ATTACHMENTS

Attachment I Staff Report Attachment II Cannabis Status Report October 2023



DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT: Commercial Cannabis Program: Status Update on Existing Cannabis Businesses

and Discussion on a Possible Restorative Justice Component Tied to Program

Enforcement

RECOMMENDATION

That the Council Economic Development Committee (CEDC) reviews the report and provides feedback and direction to staff regarding the challenges to opening a cannabis business in Hayward.

SUMMARY

In 2017, Council adopted a new regulatory and land use ordinance to establish guidelines for personal cultivation and establish land use guidelines and development standards to allow for commercial cannabis cultivation, distribution, delivery, manufacturing, testing, and retail dispensary activities in the City. In 2021, amendments were made to the City's commercial cannabis regulatory framework to address several issues and inconsistencies with recent changes in State law and create a streamlined process to evaluate and select commercial cannabis operators, consistent with industry best practices.

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BACKGROUND

The Control, Regulate and Tax Adult Use of Cannabis Act (AUMA) was approved by a majority of California voters on November 8, 2016. The AUMA legalized the possession, use, and cultivation of non-medical cannabis for those who are 21 years of age or older and established a state system to regulate commercial cannabis activity. On June 27, 2017, Governor Jerry Brown signed into law Senate Bill 94 which repealed the Medical Cannabis Regulation and Safety Act (MCRSA) and created a single regulatory scheme for both medical and non-medical cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

The MAUCRSA retains the provisions in the MCRSA and the AUMA that granted local jurisdictions the authority to adopt and enforce local ordinances, including zoning and land use requirements, to regulate and/or prohibit cannabis-related activities. Furthermore, the MAUCRSA provides that a state licensing authority shall not approve an application for a state license for a cannabis business if approval of the state license will violate the provisions of any local ordinance or regulation.

In November 2017¹, Council adopted new regulatory and land use ordinances to establish guidelines for personal cultivation and provide a set of land use guidelines and development standards to allow the commercial cultivation, distribution, delivery, manufacturing, testing, and retail dispensaries of cannabis activities. As part of that initial process, commercial cannabis operators were reviewed and selected through a Request for Proposals (RFP) process. The RFP process covered all commercial cannabis business types, including commercial cannabis dispensaries, testing/research laboratories, distribution centers, and grow facilities.

Since the ordinance became effective, 13 operators have been subject to the RFP review and selection process. To date, four of those 13 operators have successfully secured their Planning entitlement and are fully operational while eight operators have secured their planning entitlement and are at various stages of the building permit or state licensing process.

In July 2021², Council amended the cannabis regulatory framework to address several issues and inconsistencies with local processes and regulations, to update the City's ordinance to reflect best practices and to streamline review and selection of commercial cannabis operators. Specifically, the amendments included the following changes: replacing the previous RFP process with a more frequent, bi-annual Preliminary Determination of Eligibility screening process; updating the evaluation criteria to provide more detailed guidance on the disclosure of local hire, labor, and employment practices; establishing a more explicit and robust system for cannabis auditing, inspection, and compliance reporting; allowing applicants to modify an existing commercial cannabis permit without being required to undergo the Preliminary Determination of Eligibility process again; and, updating the required tracking and inventory protocols for cannabis businesses, consistent with state guidelines. As part of this update, staff also modified the fees and penalties section of the Master Fee Schedule to replace the deposit-based permit fee with a more equitable, flat rate fee approach to cover administrative and

¹ http://hayward.legistar.com/gateway.aspx?m=1&id=/matter.aspx?key=3453

² http://hayward.legistar.com/gateway.aspx?m=1&id=/matter.aspx?key=7479

enforcement costs and include a series of fines and penalties intended to deter illegal operators from competing with legal operators.

In February 2023³, Council approved an updated fees and penalties section of the Master Fee Schedule, which clarified how these new fees and penalties would be assessed. The revisions entailed clarifying that existing administrative enforcement provisions of the Hayward Municipal Code are applicable to violations of the commercial cannabis regulations and authorizing the City Attorney to institute civil actions for injunctive relief and imposition of specified amounts of civil penalties against violators. During the discussion of the revised ordinance, Council suggested that staff explore restorative justice programs with respect to enforcement.

DISCUSSION

Status of Existing Commercial Cannabis Business Permits

As discussed above, of the 13 businesses that have undergone the RFP and commercial cannabis business permit processes, only four have completed the process and are operational. Of the nine remaining businesses that were subject to the RFP process, three have not yet applied for a building permit, two are awaiting issuance of a State license, and two will need to revise their Conditional Use Permit applications due to previous locations not working out, and one application remains incomplete.

Based on conversations with cannabis operators and understanding the local and state regulatory framework that cannabis operators are subject to, staff believes there are three primary factors that impede operators from conducting business in Hayward: lack of financing, the existing tax rate for cannabis operators, and the ongoing pressure from the illicit cannabis market, which continues to operate without the regulatory framework in place. The three factors are discussed in greater detail below.

<u>Lack of Securing Financing.</u> Cannabis operators still face challenges in securing financing to operate legally. Traditionally, small businesses are eligible to obtain Small Business Administration loans to help finance their operations. Cannabis businesses, however, are not eligible for Small Business Administration loans because cannabis is not legal on a federal level. As a result, cannabis businesses do not have access to one of the primary sources of capital and financing that typically is offered to other small businesses, making it challenging to cover the upfront costs associated with local and state licensing and start-up operations.

<u>High Tax Rate.</u> In March 2018, Council adopted a new tax rate for all commercial cannabis businesses in the City. The tax was intended to aid in the alleviation of the City of Hayward's ongoing General Fund operating deficit and would be used for any valid municipal purpose, including police and fire services, paramedic services, youth and anti-gang programs, education, disaster preparedness, economic development, street repairs and maintenance, graffiti removal, and code enforcement. The local Hayward tax rate is 7% of all gross sales and applies to all cannabis activities, regardless of size or land use type.

³ http://hayward.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=8649

In addition to the 7% local tax rate, the State of California imposes a tax of \$9.65/dry weight ounce for flowers, \$2.87/dry weight ounce for leaves, and an excise tax of 15%, which is applied to all cannabis products sold. Lowering the local tax rate could help lower the overall operating costs for cannabis business operators and make Hayward a more attractive market for cannabis operators. In addition, lowering prices for legal cannabis could make prices more competitive with the cannabis products sold in the illicit market, as detailed below.

<u>Illicit Market.</u> It is estimated that California's illicit cannabis market is valued at approximately \$8 billion annually and that the high taxes and operating costs of a legal cannabis business are allowing the illicit market to thrive.⁴ The illicit market is in direct competition with the legal market, which passes down the regulatory and operating costs to consumers, resulting in a more expensive product.

Despite the factors that have prevented these operators from opening in Hayward, staff acknowledges the licenses that were issued in 2018/2019 do not have an expiration date for which applicants are required to vest their Commercial Cannabis Permit⁵. For some land-use cannabis activities, this may not be an issue as applicants can always reapply for a new license during the open Preliminary Determination of Eligibility period, which occurs twice annually. However, for cannabis retail dispensaries which are currently capped at three permits citywide, the City has not achieved the projected sales tax revenues that were originally anticipated as two of the three dispensaries that received their Commercial Cannabis Permit in 2018 (Aunty Honey's and Jiva Life) remain inactive with no estimated timeframe to open. For these and other operators, staff is requesting feedback from CEDC on the following:

- 1. Does the CEDC support adding a sunset provision to the current Commercial Cannabis Ordinance that establishes a timeframe to vest their Commercial Cannabis Permit?
- 2. Does the CEDC recommend staff explore a lower tax rate for cannabis businesses to make Hayward more attractive for cannabis operators?

Restorative Justice

Generally, the term "Restorative Justice" is defined as "[a] response to wrongdoing that prioritizes repairing harm, to the extent possible, caused or revealed by wrongful behavior. The stakeholders impacted most by the wrongdoing cooperatively decide how to repair victim harm, hold offenders accountable, and strengthen the community's relational health and safety."

As previously mentioned, the efforts to create and support a restorative justice program for the City may extend beyond just cannabis activities so staff is currently collaborating with the City Attorney's Office and other Departments to determine how this program could be consistently and equitably applied.

NEXT STEPS

⁴ https://www.politico.com/news/2021/10/23/california-legal-illicit-weed-market-516868

⁵ Commercial Cannabis Permit:

https://library.municode.com/ca/hayward/codes/municipal code?nodeld=HAYWARD MUNICIPAL CODE CH6BUPRTR ART14COCABU

⁶ https://restorativejustice.org/why-restorative-justice/the-issue/

Following direction and feedback from the CEDC, staff will continue to evaluate the City's commercial cannabis program and make any changes as needed per CEDC direction.

Prepared by: Rozalynne Thompson, AICP, Senior Planner

Jeremy Lochirco, Planning Manager

Recommended by: Sara Buizer, Development Services Director

Paul Nguyen, Chief Economic Development Officer

Approved by:

Kelly McAdoo, City Manager

HAYWARD CANNABIS PERMIT STATUS UPDATE

OCTOBER 2023

OPERATIONAL

• DBA: Cookies Hayward

Address:1004 B St

Status: Operational *DCC Permit Issued 08/2020

• DBA: Sticky Thumb

Address: 23287 Foley St

Status: Operational *DCC Permit Issued 06/2021

• DBA: Harrens Lab

Address: 3507 Breakwater

Status: Operational * DCC permit issued 05/2019

• DBA: American Holdings

Address: 2370 Cavanaugh

Status: Operational *DCC permit issued 02/2022

IN PROGRESS

• DBA: Manifest

Address: 2300 Connecticut #3

Status: Planning approved. Building Permit finaled. Waiting for Planning and HPD inspections for opening

approval.

• DBA: Jiva Life

Address:22701 Foothill Blvd

Status: Planning approved. Building Permit submittal currently under review.

• DBA: Always on Time

Address:23000 Connecticut #5

Status: Planning approval. Waiting building permit submittal. Applicant looking to sell majority stake.

• DBA: Precision Apothecary/Juva Life

Address:3329 & 3363 Enterprise

Status: Planning approval. Waiting building permit submittal. Applicant looking to sell majority stake.

• DBA: Hidden Farms

Address: 3166 Diablo Ave

Status: Planning approval. Building permit issued and pending final occupancy permits.

DBA: Mijosa

Address: 2459 Radley Court

Status: Planning approved. PD heard from applicant the location was no longer going to be a cannabis business.

DBA: Green Grizzly

Address: 2416 Radley Ct #3

Status: No activity on this application since 2019. Applicant expects to submit a building permit application

in early April 2023

DBA: Aunty Honeys

Address: undeclared

Status: Currently looking for site to accommodate cannabis dispensary

UNKNOWN

DBA: Green Haven

Address: 1680 W Winton

Status: Unknown. Applicant did not obtain required planning approval. Site contained illegal cultivation

operation in 2022.



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

File #: RPT 23-108

DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT

Hayward Upward Economic Recovery Plan Update: Tuition Assistance Program

RECOMMENDATION

That the Council Economic Development Committee receives updates on the progress of the Hayward Upward Economic Recovery Plan: Tuition Assistance Program.

SUMMARY

The Tuition Assistance program, an ARPA-funded initiative within the Together for Hayward COVID-19 Economic Recovery Plan, aims to provide financial assistance to residents. It enables them to attend courses at Chabot College, California State University East Bay, and other accredited technical schools, enhancing their employment competitiveness. This report provides an update on the program's current status and outlines next steps.

ATTACHMENTS

Attachment I Staff Report



DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT: Hayward Upward Economic Recovery Plan Update: Tuition Assistance Program

RECOMMENDATION

That the Council Economic Development Committee receives updates on the progress of the Hayward Upward Economic Recovery Plan: Tuition Assistance Program.

SUMMARY

The Tuition Assistance program, an ARPA-funded initiative within the Together for Hayward COVID-19 Economic Recovery Plan, aims to provide financial assistance to residents. It enables them to attend courses at Chabot College, California State University East Bay, and other accredited technical schools, enhancing their employment competitiveness. This report provides an update on the program's current status and outlines next steps.

BACKGROUND

Before the COVID-19 pandemic, San Francisco Bay Area businesses faced challenges in finding qualified workers due to a tight job market. The situation was exacerbated by high housing costs, impacting employee retention and recruitment, particularly for Hayward employers. The pandemic further complicated matters, leading to business closures, furloughs, and a shift in employment preferences. As the economy recovers, businesses encounter difficulties filling both previous and new positions, intensifying competition for skilled workers. Despite layoffs in the tech industry, a shortage persists in skilled technical and advanced manufacturing positions.

DISCUSSION

Tuition Assistance Program

The Tuition Assistance Program is tailored to aid Hayward residents affected by COVID-19 or those seeking skill improvement for enhanced employability. Grantees must attend courses at designated institutions, including Chabot Community College, Cal State East Bay (CSUEB), or other accredited programs. The program, in collaboration with partners like Chabot College, CSUEB, and Eden Area ROP, manages recruitment, application review, and fund disbursement.

City staff actively promoted the program through the city website's dedicated landing page, press releases, and targeted social media posts in preparation for the Fall semester. Simultaneously, our partners utilized their media channels, email lists, and social media platforms to ensure broad awareness.

The microgrants range from \$500 to \$2,000, considering factors such as the program of study, cost, duration, and other aid received. To date, \$67,000 has been dispersed to 134 grantees. The grants prioritize high-, medium-, and low-priority programs, addressing industries with labor shortages and providing flexibility based on individual needs.

The program has had a diverse impact, reaching various ethnicities and demographic groups, including Hispanic/Latinx/Chicanx, multiracial, Black/African American, and more. Additional demographic data highlights characteristics such as single-parent status, low-income status, disability, and foster youth representation among grantees. The table below summarizes the demographics of grant receipts.

Chart 1: Tuition Assistance Grant Recipient Demographics

Ethnicity Chart 1: Tuition Assistance Grant Recipien	Number of	Percentage of
Ethinicity	Students	Grantees
Hispanic/Latinx/Chicanx	50	37%
Not Hispanic/Latinx/Chicanx	84	63%
Multiracial	62	46%
Multiracial: Black/African American/White	1	1%
Multiracial: Native American/American Indian/Alaskan Native/White	2	1%
Multiracial: Native American/Am. Indian/Alaskan Native & Black African American	4	3%
Multiracial: Asian/White	10	7%
Other Multi-Racial	45	34%
Black/African American	32	24%
Native American/American Indian/Alaskan Native	2	1%
White	19	14%
Asian	14	10%
Korean	1	1%
Asian Indian	1	1%
Filipino	3	2%
Vietnamese	4	3%

Chinese	5	4%
Middle Eastern/Arab	5	4%
Additional Demographic Data		
Single-Parent	51	38%
Low-Income	109	81%
Student with Disability	13	10%
Foster Youth	12	9%

NEXT STEPS

The Tuition Assistance Program is ongoing, with Chabot College and CSUEB accepting applications for the Fall 2023 semester. Efforts are underway to expand opportunities beyond Chabot and CSUEB by allowing recognition of subcontracted agencies including the Eden Area Regional Occupation Program (Eden Area ROP).

As of now, \$300,000 has been successfully disbursed to Chabot College and CSUEB for the grant program. The remaining \$100,000 is slated for disbursement, contingent on fulfilling contract deliverables. These deliverables encompass the provision of data related to grant recipients, facilitating long-term tracking, and enabling impact analysis of the grant funds. Additionally, part of the program involves diligent tracking of grantees' progress in completing their educational programs and securing meaningful employment.

FISCAL IMPACT

Funded through the City's ARPA funds, the Tuition Assistance Program is allocated \$400,000. This report reflects the commitment of the City of Hayward to address the economic challenges brought about by the pandemic and contribute to the long-term prosperity of its residents and business community.

Prepared by: Daniel Mao, Economic Development Specialist

Recommended by: Paul Nguyen, Chief Economic Development Officer

Approved by:

Kelly McAdoo, City Manager



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

File #: RPT 23-107

DATE: November 6, 2023

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT

Future Meeting Topics as of November 5, 2023

RECOMMENDATION

That Committee members review and comment on the attached Future Meeting Topics.

ATTACHMENTS

Attachment I Future Meeting Topics as of November 6, 2023



Council Economic Development Committee Future Meeting Topics as of November 6, 2023

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS	PRESENTATION DATE*
Economic Development	Hayward Upward Economic Recovery Program Updates	Standing Item
Development Services	Development Services Department Activities Update	December 2024
Public Works/ Information Technology	Update on City Fiber/Broadband Initiatives (Following update to CIC)	To be scheduled

^{*}Subject to change and data availability