

**CITY COUNCIL  
MEETING**

**MARCH 7, 2023**

**PRESENTATIONS**

**ALCOHOLIC BEVERAGE  
REGULATIONS UPDATE**

**ITEM #6**

**PH 23-013**

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# Proposed Amendments to Alcoholic Beverage Outlets Ordinance

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



# Project Background

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

# Outreach Efforts

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



# Amendments Proposed to CEDC

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

# CEDC Feedback

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

# Alcohol-Related Crimes Resulting from Overconsumption at Hayward Restaurants

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



## Regulations of Neighboring Municipalities

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

# List of Amendments Recommended by Planning Commission

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

# **STAFF RECOMMENDATION:**

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

**Process for this evening's meeting:**

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

**FY 2023 MID-YEAR  
BUDGET**

**ITEM #7**

**LB 23-011**