CITY COUNCIL MEETING TUESDAY, FEBRUARY 4, 2020

DOCUMENTS RECEIVED AFTER PUBLISHED AGENDA

AGENDA QUESTIONS & ANSWERS

Items 2 and 4

AGENDA QUESTIONS & ANSWERS MEETING DATE: February 4, 2020

Item #2 CONS 20-049: Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Hayward Area Recreation and Park District in an Amount Not-to Exceed \$337,518 for Recreation, Volunteer Coordinator, Mobility, and Childcare Services

For the Contract with HARD (Item 2 on the Consent agenda), How does this portion of the HOP program fit with the City's overall Paratransit funding? The Mobility Specialist position is an administrative use of paratransit funds and was included in the program plan approved by ACTC. The role is a shared contractor position with HARD that assists with the day-to-day operations of the Hayward Operated Paratransit (HOP) program. One of the primary program delivery components of HOP is the Transport Network Companies (TNC) program, in which seniors and individuals with disabilities enroll to take same-day on demand trips, including on accessible vehicles. The Mobility Specialist enrolls new clients and addresses questions and concerns that arise. The Mobility Specialist also coordinates the HOP group trips, mostly utilized by senior living facilities.

Item #4 PH 20-006: 25036-25096 Carlos Bee Blvd Housing Development: Approve Proposed Residential Development Consisting of Nine Detached Single-Family Homes and Six Accessory Dwelling Units on a Single Parcel Located at 25036-25096 Carlos Bee Boulevard (Assessor Parcel Number 445-0170-039-13) Requiring Approval of Zone Change to Planned Development and Vesting Tentative Map (8473) Application No. 201802159, and Related Initial Study and Mitigated Negative Declaration; Kodama Diseno Architects/Zalman Investments LLC

For the Carlos Bee development, was it an option to have a smaller units be sold as separate homes, rather than independent ADU's?

Staff and the applicant explored many options to allow for more units on the site; however the smaller units cannot be sold separately because the site has a Low Density Residential General Plan land use designation which only allows detached, single family homes. ADUs are not considered separate dwelling units per State Law and the Hayward Municipal Code so it was a work around to get those additional rental units while staying within the allowable uses within the Low Density Residential designation.

Regarding the traffic impacts, "Of the 103 [new] trips [generated], eight would occur in the AM Peak Hour and 11 would occur in the PM Peak Hour. "(Initial Study, page 113) Only 8/11 of the trips would be peak hour? That seems low?

Universally, the number of project trips generated by any proposed land use, is calculated by rates found in the Institute of Traffic Engineers (ITE) - Trip Generation Manual. The ITE Manual provides estimated trip generation rates for various land uses, based on hundreds of studies submitted to ITE by public agencies, developers, consulting firms, associations, etc. For this project, a single-family detached housing land use rate was used. Trips were calculated based on the estimated number of anticipated residents for both the single family and ADU units (39) instead of the number of dwelling units. As such, using the AM peak hour rate of 0.21 trips per resident and the PM peak hour rate of 0.28 trips per resident from the ITE Manual, the peak hour trips were calculated. This results in eight trips generated in the AM peak hour and eleven trips generated in the PM peak hour. It should be noted that the peak hour trips stated is the trips being produced in the busiest hour, not the total for the AM and PM commute period, which

There was also a community concern about the need for improvements about the overlook intersection. Have those been considered for inclusion in the conditions for approval. (Apologies if I missed it in the reports).

occurs over three or more hours. There could be several times more trips for each commute period, but CEQA analysis are based on the one hour where the traffic is heaviest. If a more conservative approach were used in which all of the homes were considered "single family detached housing" the number of trips generated by the development during the AM and PM peak hour(s) would be eleven and fourteen respectively.

What's important to understand is that this project cannot be tasked with "fixing existing problems" at the intersection. Cities are only allowed to seek redress if the additional trips from the development triggers an impact under CEQA that requires mitigation. Even then, the project would only be tasked with paying their pro rata share of the proposed mitigation(s). In this case the additional eight to eleven or eleven to fourteen trips, would be less than 1% of the total intersection volume.

LOCAL MINIMUM WAGE ORDINANCE: INTRODUCE
AN ORDINANCE TO ADD ARTICLE 15 TO CHAPTER 6
OF THE HAYWARD MUNICIPAL CODE
ESTABLISHING A LOCAL MINIMUM WAGE FOR
EMPLOYEES WORKING FOR ANY EMPLOYERS
WITHIN THE CITY OF HAYWARD

PUBLIC COMMENT

MARC CAMPOS EMAIL & LETTER

From: Access Hayward < <u>noreply@user.govoutreach.com</u>>

Sent: Monday, February 3, 2020 11:06 AM

To: Colleen Kamai < Colleen.Kamai@hayward-ca.gov>

Subject: City of Hayward: You have been assigned a new Request #: 177490

Request # 177490 from the Government Outreach System has been assigned to you.

Request type: Problem

Request area: Send a Comment to the Mayor and City Council

Citizen name: Marc Campos

Description: RE: In support of the "\$15 Minimum Wage" on Tuesday February 4, 2020.

Expected Close Date: February 13, 2020

Click here to access the request

Note: This message is for notification purposes only. Please do not reply to this email. Email replies are not monitored and will be ignored.

February 3, 2020

From: Marc A. Campos-Ramos/Home Owner

To: City Of Hayward and City of Hayward Council

Dear City of Hayward Mayor and City Council:

It is my understanding that there will be a vote to increase the minimum wage in the City of Hayward to \$15 an hour. As a home owner in the City of Hayward, I wanted to provide my perspective. I have lived in the City of Hayward since 2003. When I moved to the City of Hayward, CA from San Jose, CA part of my reason for moving to this city was because the cost of living was affordable and it meant that I could achieve my American dream in the local San Francisco Bay Area. Over the past 17 years, I have enjoyed calling this my home and have been fortunate to benefit from the increase in home prices. The latest I have seen is that many home values have increased fifty percent since 2003. This is great news for home owners.

Unfortunately, there is a segment in the City Of Hayward that I consider the working poor. They have not been as fortunate as some of us. They continue to struggle to put food on the table and a roof over their head. Often times they have to live with multiple roommates and family members. Some have had to use the local resources (including the homeless shelters that are available in the local community). One negative side to the increase in home values is that their rents and housing costs have continued to increase over the years. What has not increased has been their income. If I understand correctly the minimum wage has not increased at the same rate of fifty percent that the home values have.

These individuals that I have called friends and neighbors for the past 17 years deserve the same level of respect and dignity that home owners deserve. It is important to understand that we are talking about human beings. They have the same ambitions and aspirations that the rest of us have. They should not be denied their American dream because they have not been as fortunate as some of us have been.

As you decide whether or not to increase the minimum wage, I hope that you will consider the needs of all members of our community. Especially as it pertains to the most vulnerable in our community. It does not make moral sense that some of us should be satisfied while others are harmed. Please understand that as you decide whether or not people deserve a livable wage, you are talking about human beings who deserve the same respect and humanity.

Thank you for your consideration.

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PUBLIC COMMENT

LARA CALVERT EMAIL & PHOTOS

From: Lara Calvert <>

Sent: Friday, January 31, 2020 1:00 PM

To: List-Mayor-Council < List-Mayor-Council@hayward-ca.gov >

Subject: Local Minimum Wage

CAUTION: This is an external email. Do not click on links or open attachments unless you know the content is safe.

Hayward City Council Members ~

I am writing to you in regards to your agenda item on a Local Minimum Wage Ordinance: Introduce an Ordinance to Add Article 15 to Chapter 6 of the Hayward Municipal Code Establishing a Local Minimum Wage for Employees Working for Any Employers within the City of Hayward.

I am very impressed with the City staff's data gathering and thorough report that you have for your consideration. To keep this brief, I will not go into each point, but just highlight a few that are most important to Spectrum Community Services, a local non-profit serving Hayward and the entire County.

- 1) Spectrum Community Services has 50 employees. Over the past 10 years we have greatly increased our payroll to keep up with State minimum wages, local minimum wages and market rates. In addition, to improve our employees' quality of life, we have been increasing the value of our health benefits something that these minimum wages do not take into account.
- 2) Given market rates to attract and retain employees, I actually only have one part-time employee that will be effected by this change should you adopt it.
- 3) I am greatly concerned by the increased bureaucracy in the City and costs to us as a business for this small incremental difference with the State schedule. We have to spend staff time ensuring that we meet each jurisdiction's local ordinances on wages, sick time, benefits, etc.... Plus we must purchase additional posters and have space to display these posters for every jurisdiction. (see photo of our break room where I'd rather have pleasing landscapes or motivational posters)

As a non-profit organization, we receive some funding from the City of Hayward, which has not increased to meet the State, local or cost of living increases, yet we are asked each year how we will be increasing our services for Hayward residents. This question comes across as if we are being asked to create funding from thin air to meet our increasing costs and increasing demands for services with flat or cuts in funding. Please do not add even more costs and staff time to comply with yet another local ordinance.

I urge you to not move forward with this local ordinance and instead follow that current State law.

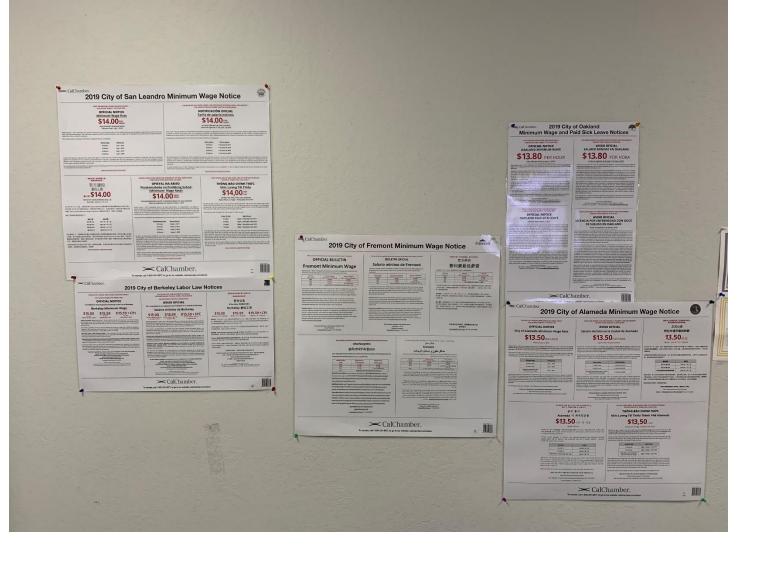
Thank you for your service to Hayward

~ Lara

Lara Calvert

Executive Director





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PUBLIC COMMENT
ALISON PICCOLI EMAIL & LETTER

From: Alison Piccoli <a piccoli@calrest.org>
Sent: Monday, February 3, 2020 1:49 PM

To: List-Mayor-Council < List-Mayor-Council@hayward-ca.gov >

Subject: CRA Letter of Response - Minimum Wage

CAUTION:This is an external email. Do not click on links or open attachments unless you know the content is safe.

Hello Mayor and Councilmembers,

Hope this email finds you well! As some of you may know, I am the local government affairs director here in the Bay Area for the California Restaurant Association. I hope to meet you all in person very soon!

Attached is a letter of concern from our organization, which represents local restaurants in Hayward. We believe that the minimum wage ordinance will have some negative unintended consequences on businesses and workers in the restaurant community.

If you have any questions or clarifications needed on the attached letter, please do not hesitate to reach out!

Thanks for your consideration.

Warmest, Alison Piccoli

Best Wishes,

Alison Piccoli Director, Local Government Affairs – Bay Area Region



Alison Piccoli California Restaurant Association PO Box 5614 San Jose, CA 95150

C: 650.288.8235

apiccoli@calrest.org

www.calrest.org

Membership matters.

Confidentiality note:

This electronic message transmission contains information from the California Restaurant Association which may be confidential or privileged. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is prohibited.

If you have received this electronic transmission in error, please immediately notify us by telephone at 800.765.4842



February 3, 2020

Mayor Halliday and Councilmembers
City of Hayward, City Council
777 B Street
Hayward, CA 94541

Dear Mayor Halliday and Councilmembers,

The California Restaurant Association is the definitive voice of the food service community in California and is the oldest restaurant trade association in the nation. I write to express our opposition with the proposal to increase the local minimum wage by as much as \$3.00 in 2021. Alarmingly, the proposed ordinance takes California's – unprecedented and still underway – set of minimum wage increases and accelerates those with 26 or more employees to reach \$15.00 on January 1, 2021, and those with 25 or fewer to reach \$15.00 a year later.

The existing series of state minimum wage increases underway continue to be incredibly difficult for restaurants to adjust to. The statewide rate of increase is an incredible reach for restaurants, but allows businesses much more lead time before the next increases take place – a critical element of financial planning for all businesses that continues to reveal its own unintended consequences to operations and employment hours. Restaurants need as much time as possible to do the necessary financial planning and operational adjustments in order to even consider how to handle such a drastic increase in the local minimum wage. The ordinance proposes a \$3 increase for businesses with more than 25 employees in less than a year. There is no question, the proposed ordinance will force some restaurants to make unfortunate operational changes to be financially viable in time for the deadline of this proposed ordinance. Restaurants simply need ample time to plan and adjust their entire business and employment model in order to mitigate the negative consequences of such a sudden local mandate on the community job providers. Again, the current statewide trajectory of minimum wage increases is unprecedented, still underway, and enormously challenging to meet. Piling on in addition to that is alarming.

The restaurant community is uniquely characterized by razor-thin economic margins. A restaurant owner typically only keeps about five cents to every dollar they make in sales. That means an owner earns about \$50,000 for every \$1 million in sales. On top of that, 25 percent of restaurants close or change ownership in their first year of business. That statistic increases to three in five restaurants after three years. Considering these conditions, any given restaurant owner constantly feels immense financial pressure as minimum wage increases also increase workers' compensation costs



and all other wages in the restaurant- putting many on an unsustainable path. Any additional cost is painfully felt, making it very challenging for a restaurant to succeed given these exceptionally tight financial margins.

Restaurants and the hospitality sector are very labor intensive- and labor dollars limited. Minimum wage increases often unintentionally harm non-tipped employees the most. They are paid more than minimum wage (because they often do not share in tips), but still earn less than tipped employees – leaving them at the lower end of the pay scale. The added cost pressure from the mandatory annual wage increases for employees already earning the most (tipped employees) takes the finite labor dollars an operator has and reduces, if not eliminates, their ability to provide hardworking, nontipped employees with a well-deserved wage increase.

A solution to this dilemma is using a "total compensation" model that maintains the existing state minimum wage for regularly tipped employees that earn above a certain threshold (well above the minimum wage) per hour when their total compensation from tips, wages, benefits, and other sources is factored in. A "total compensation" model is not a "tip credit". This would provide an opening for the non-tipped employees – often in the heart of the house – to receive a well-deserved wage increase and ensure that benefits aren't forced to those employees that are already earning the most.

An additional minimum wage hike forces restaurants and other small businesses to make unfortunate operational decisions to meet the increased labor costs. Restaurants have no choice but to adjust their business plans and budgets, which may mean forgoing expansion and/or reducing operational hours, and thus opportunities for employees. This increased cost of doing business would likely discourage new restaurants from opening in Hayward and continue to harm those already at a tipping point due to the underlying statewide minimum wage increases already underway.

Minimum wage increases also come with additional costs, often overlooked, that a job producer must face in corresponding annual increases associated with payroll taxes and temporary/permanent disability benefits paid out to employees through workers' compensation. The cumulative impact of these individual costs leaves an operator with few choices but to reduce staff levels or cutting hours – an unfortunate reality.

We strongly encourage the City Council to consider the minimum wage issue in a holistic approach. Data has shown that in regions with the highest minimum wages in California, we have seen a drop in teen and youth employment in the restaurant community; as entry level wages shoot up, many restaurants simply cannot offer first time employment opportunities to relatively untrained youth at such a high cost. This is an additional unfortunate consequence that would likely be exacerbated by increasing the local minimum wage.



Thank you for your attention and consideration. Should you have any questions, please contact me at 650.288.8235 or $a\underline{\text{piccoli@calrest.org}}$.

Sincerely,

Alison Piccoli

Director, Local Government Affairs – Bay Area Region

California Restaurant Association

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PUBLIC COMMENT GUY HOUSTON LETTER

Mission Hope Day Program -

Subject Minimum Wage Ordinance

Mission Hope Day Program serves Adults with Developmental Disabilities, we are a direct arm and licensed directly by the California Department of Developmental Services. We are a Behavior Management program that serves 90 clients in Hayward on Mission Blvd. We are 100% funded by the State of California. We have had three increases in our rates in the last 15 years.

This minimum wage would have a great impact on our program.

Would ask for consideration in the following ways:

- 1- In your exemptions category it states, "State, Federal and County Agencies, including school districts, shall not be required to pay the local minimum wage when the work performed IS RELATED TO THEIR GOVERNMENTAL PURPOSE.
 - Since we are a direct arm of the California Department of Developmental Services, I would argue that our function is for the government purpose and we would qualify for the exemption.
- 2- There is nothing magical about the number 25. We have 30 employees, the reason is because of the type of clients that we serve, extreme disabled and need a great amount of care. Our ratios are 1 staff for every three individuals. So in this case we are penalized for providing care to these fragile people who are in the greatest need.
 - If we chose to serve individuals requiring less care; for instance a 1 to 5 ratio, we are way under the threshold. I understand that Emeryville defines small business at 55 and under. The Affordable Care Act defines in at 50. Please consider these higher thresholds.
- 3- Lastly and most insidious. The State of California does not reimburse us for Local Minimum Wage increases. But they do reimburse for their own Minimum Wage increases. So when a Local ordinance jumps the gun and raises the minimum wage, we can NEVER be reimbursed for those dollars. It is a permanent tax that can never be recaptured.

I have listed a couple of ways to solve this problem, Mission Hope asks for some assistance in dealing with this issue.

Would also like to invite you to visit Mission Hope to see the type of work that we do to help the disabled in the City of Hayward.

Guy Houston

Senior Manager, Mission Hope Day Program c) 925-487-5839