



**PLANNING COMMISSION MEETING
COUNCIL CHAMBERS AND VIRTUAL (ZOOM)
PARTICIPATION
Thursday, November 10, 2022, 7:00 p.m.**

APPROVAL OF MINUTES

2. Minutes of the Planning Commission Meeting of October 27, 2022

A motion was made by Commissioner Lowe, seconded by Commissioner Goldstein, to approve the meeting minutes of October 27, 2022.

The motion passed with the following roll call votes:

AYES:	Chair Ali-Sullivan Commissioners Bonilla Jr., Goldstein, Lowe, Roche
NOES:	None
ABSENT:	Chair Oquenda Commissioner Stevens
ABSTAIN:	None

COMMISSION REPORTS

Oral Report on Planning and Zoning Matters

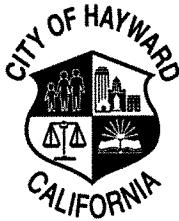
Senior Planner Schmidt congratulated Commissioners Roche and Goldstein, acknowledging that while final votes were still being counted, but in the event that the Commissioners move to new appointments, she shared that a special recruitment would be held to fill the vacant Planning Commission positions. She indicated that the Affordable Housing Ordinance would be discussed at the December 8, 2022, meeting and noted that the November 24, 2022, meeting would be canceled due to the Thanksgiving holiday.

Commissioners' Announcements, Referrals

Commissioner Bonilla Jr. congratulated Commissioners Roche and Goldstein on the election and looked forward to their continued impact on the City of Hayward.

Commissioners Goldstein and Roche thanked staff for their efforts and earlier presentation.

Chair Ali-Sullivan thanked members of the public for attending the meeting. He thanked all candidates who ran for City Council and their commitments and desire to serve Hayward. He commented that while the certification of election of results was pending, it was evident that some Planning Commissioners may be joining the City Council and congratulated Commissioners Roche and Goldstein for their hard work and desire to serve on the City Council.



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explained the reason mixed-income was general was to encourage a more mixed-income community.

Commissioner Bonilla Jr. stated that the way to deeply incentivize specific income-based units was to provide more incentives for those units. Ms. Morales concurred that was correct and responded that staff would ensure the ordinance was and that mixed income meant a mixture of market rate and affordable units.

Commissioner Goldstein mentioned the city had not established a formula on how to measure parking for new developments and that placed the city at a disadvantage relative to State law. Principal Planner Schmidt stated the city had existing off-street parking regulations and pointed out that the state density bonus superseded the city's regulations. She noted that density bonus projects were subject to different parking standards already outlined in State law. In response to Commissioner Goldstein's question about objective parking standards, Ms. Schmidt stated that future discussions on the City's Objective Parking Standards would be considered in early 2023 and that this would be for projects not seeking a density bonus.

Chair Ali-Sullivan opened the public hearing at 7:57 p.m.

Mr. Gabriel Altamirano with South Hayward Now/Ahora, participated via Zoom, stated the objective of the organization was to have a voice for environmental justice. He expressed that the City was known for issuing Mitigated Negative Declaration for projects that cause extreme effects on traffic and that his organization would monitor this. As projects come before the city, the group will focus its efforts on reducing traffic and advocate for proper California Environmental Quality Act (CEQA) review for parking. He encouraged the Planning Commission to continue to focus on low and very-low-income housing.

Ms. Ro Aguilar, Zoom participant, acknowledged the City's efforts to build more affordable housing in Hayward; however, she wanted the focus to remain on inclusionary affordable housing. She stated the control and responsibility to build inclusionary affordable housing was still in the hands of the developer with the proposed ordinance revisions. She commented whether exceeding the state requirements was necessary and mentioned that the city had not tried requiring developers to build inclusionary affordable housing. Ms. Aguilar stated no matter how many incentives, waivers, or concessions the city offered, the voluntary approval may not work due to neighborhood political opposition or due to business desired profit margins. She emphasized that action be taken demonstrating that the city was serious about inclusionary affordable housing and work towards repairing damage done by discriminatory housing codes.

Chair Ali-Sullivan closed the public hearing at 8:04 p.m.



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Planner Thompson explained that currently the city was operating at the State's maximum density of 50 percent for very-low-income, low-income and moderate-income; however, the proposal was to exceed the State's maximum and increase it to 55 percent.

Chair Ali-Sullivan asked staff what would happen if a developer wanted all the concessions in the City's Density Bonus Ordinance. Ms. Thompson responded that if a project was eligible for a Density Bonus, that project was eligible for the maximum density and specified number of concessions with unlimited waivers if the developer chose to pursue it.

Chair Ali-Sullivan commented that there was no incentive for a developer to provide very low-income units when they would receive the same Density Bonus for moderate income units. He noted there was a need in the community for more very-low-income units. Housing Division Manager Morales responded that based on the high percentage of moderate-income units required relative to the number of very-low-income units required, staff observations for lower-tier density bonus were that developers were choosing to provide fewer units of very-low-income units rather than to try to get a higher number of on-site inclusionary for moderate income units in order to receive the first incentive. Staff shifted the focus to get developers to get to the second incentive and to provide more on-site affordable housing. She exemplified that if the market rate price for a unit was \$1 million, then the restricted resell price would be approximately \$500,000, which was a large price differential for developers to sell 44% of units at the moderate-income level price versus having 15% of very low-income units. Ms. Morales stated that it also depended on the economics of the project, but there are evident cases of very low-income units being incentivized and that staff was pleased to see that it was a priority of the Planning Commission to target this population as there was a need for more units at this price level.

With regards to Regional Housing Needs Assessment (RHNA) numbers, Commissioner Lowe inquired if this was the reason why the city was lacking in moderate-income units. Housing Division Manager Morales noted that there were two mechanisms to create moderate-income units which were the on-site inclusionary agreement and the second mechanism was being able to count accessory dwelling units (ADUs) that are developed, noting these were naturally occurring moderate-income units. For low and very low-income-units, she indicated that 100 percent affordable housing projects can be included and subsidized with Housing Inclusionary Funds. This enables the creation of units faster than having a smaller incremental percent of units being proposed under the Inclusionary Ordinance. She added that there was not a lot of public financing available to subsidize moderate-income ownership units which made it challenging for developers to create these units.

Commissioner Bonilla Jr. understood the way the city would increase units in specific categories was to adjust the proposed plan accordingly and Ms. Morales agreed. She



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updated ordinance would allow Hayward to be competitive in the development of affordable housing.

Senior Planner Hittleman with Rincon Consultants shared that other cities that have gone beyond State law have helped incentivize more affordable housing growth in their communities, commenting that both mixed-use and residential developments have been successful.

Commissioner Lowe stressed that updates to the ordinance should ensure that Hayward remain competitive with surrounding cities. Ms. Morales stated the proposed changes exceeded State law requirements and that this made the city more competitive than surrounding jurisdictions. She noted that the Affordable Housing Ordinance would be brought to the Planning Commission at a future meeting and that this would include comparisons of how much affordable housing has been developed in comparable jurisdictions, emphasizing that Hayward has done well in developing affordable housing. She stated that this would provide incentives, additional tools and resources in making affordable housing more feasible. Mr. Hittleman added that the city would be drafting a user guide once the ordinance was adopted and that would be very beneficial to developers.

Chair Ali-Sullivan stated that it would be helpful to have comparisons with adjacent cities to benchmark what was proposed for Hayward compared to neighboring jurisdictions.

Commissioner Bonilla Jr. expressed that he was proud as he found the proposal to be very responsive to the comments made by the Planning Commission underscoring that the proposed plan incentivized affordable housing in the city. He mentioned that Hayward was being recognized across the Alameda County as a leader in affordable housing production. Mr. Bonilla Jr. stated there had been a lot of previous discussion about incentives the city should provide to build more affordable housing and the proposed changes reflected these incentives. He wanted to understand how the city planned to ensure that onsite affordable housing would be built, but he understood that information would come at a later time. He appreciated the flexibility proposed in the ordinance and the ability to adjust to the community's needs, speaking favorably of the targeted special populations component of the plan. Mr. Bonilla Jr. found the plan to be very responsive to the regional needs for housing and emphasized that it provided a plan to ensure equitable housing. He appreciated Commissioner Lowe's comments with respect to equitability and staff's response to establish criteria.

Chair Ali-Sullivan echoed Commissioner Bonilla Jr.'s comments about the proposed changes being responsive to the Planning Commission's comments about affordable housing. He asked what the current State maximum density was and how it compared to the proposal. Senior



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units within the city, including providing feedback for the proposed ordinance which comprises of incentives, concessions, and greater density bonus.

With regards to financial incentives, fee waivers, and fee deferrals, Commissioner Goldstein encouraged staff to consult with the Hayward Area Recreation and Park District (HARD) Board on the proposed reduction of the park in-lieu fees due to the potential impact it may have. He commented that many times developers proposed to dedicate space to be used for a park, however these typically did not have a maintenance fund and that this should be considered. Mr. Goldstein noted that the city was struggling to modernize its existing infrastructure and suggested that staff consider what neighborhoods were being developed and whether a utility fee deferral would be feasible.

Commissioner Roche appreciated staff's recommendation with streamlining the process as this will guide developers. She agreed with Commissioner Goldstein's comments on park in-lieu fees and consulting with HARD, and underscored the importance of providing green space for people to enjoy the outdoors when building high density projects. Ms. Roche shared that many residents were concerned about traffic impacts resulting from construction along Mission Boulevard and emphasized the need for resources to help manage traffic as additional housing projects are constructed.

Commissioner Lowe asked what policies and provisions were in place to ensure equity when the City considers waiving a fee or issuing a deferral. Ms. Thompson stated that equity provisions were a policy consideration and staff would forward that question to the City Council for consideration.

Commissioner Lowe asked what problems and concerns were experienced by other cities when administering fee waivers or deferrals. Housing Division Manager Morales stated standard criteria would be established for individual projects rather than who was requesting thereby setting specific terms. In order to ensure compliance, Ms. Morales shared the fees would be memorialized in agreements that would be recorded to the title of the property. In terms of deferrals, the fee payments would differ until the units were placed in service and would be short-term deferrals. With regards to the park in-lieu fees, Ms. Morales clarified that the ability to waive the fees for 100 percent affordable housing projects already existed under the ordinance. Ms. Morales added that staff worked with HARD to allow specified reductions in park fees for units that comply with on-site affordable housing to incentivize developers.

Commissioner Lowe noted that when developers were asked to complete the survey, the response was that mixed-use was difficult due to challenges with the size and getting financing of commercial spaces. She asked staff if the City's requirements for mixed-use developments were similar to other cities of the same size. She wanted to ensure that an



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The Planning Commission meeting was called to order at 7:00 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: Bonilla Jr., Goldstein, Lowe, Roche
CHAIRPERSON: Ali-Sullivan
Absent: COMMISSIONER: Stevens
CHAIRPERSON: Oquenda

Staff Members Present: Madhukansh, Morales, Ochinero, Schmidt, Tabari, Thompson, Vigilia

PUBLIC COMMENTS

There were none.

WORK SESSION

1. Proposal Bonus Update: Review and Discuss Updates to the City's Density Bonus Ordinance for Compliance with State Density Bonus Laws **(WS 22-035)**

Senior Planner Thompson provided a synopsis of the staff report.

Commissioner Goldstein asked staff if 55 percent for very low-income was the proposed Hayward maximum density and if special groups were also to be targeted. He also asked if a developer was allowed a 60 percent density bonus for a ten-unit project, then they would be permitted to build an additional six units. Senior Planner Thompson confirmed this was correct.

Commissioner Goldstein commented that the proposed recommendations were very generous compared to the State's incentives. He wanted to understand if staff received any feedback on the proposal from developers. Ms. Thompson mentioned a survey and interviews were conducted with developers sharing three developers participated in this process.

Commissioner Goldstein indicated that in previous conversations with developers, some responses received were that developers could build higher projects, but this would not come to fruition due to increased costs. Senior Planner Thompson shared that developers provided feedback on methods to incentivize greater production of affordable housing



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ADJOURNMENT

Chair Ali-Sullivan adjourned the meeting at 8:09 p.m.

APPROVED:

A handwritten signature in black ink, appearing to read "Brigitte Lowe", is written over a horizontal line.

Brigitte Lowe, Secretary
Planning Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Avinta Madhukansh-Singh", is written over a horizontal line.

Avinta Madhukansh-Singh
Interim Planning Commission Secretary
Office of the City Clerk