



## **COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

### **MEETING MINUTES – May 26, 2022**

**CALL TO ORDER:** The Regular meeting was called to order at 5:01 p.m.

#### **ATTENDANCE (September 2021-July 2022):**

Committee Member	Present 5/26/2022	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Council Member Salinas	✓	6	0	6	0
Council Member Wahab	✓	6	0	6	0
Council Member Andrews	✓	6	0	6	0

#### **OTHERS IN ATTENDANCE:**

Kelly McAdoo, City Manager; Jennifer Ott, Assistant City Manager; Sara Buizer, Deputy Director of Development Services; Paul Nguyen, Economic Development Manager; Jeremy Lochirco, Planning Manager; Steve Kowalski, Associate Planner; Catherine Ralston, Economic Development Specialist; Suzanne Philis, Senior Secretary; Kim Huggett, Hayward Chamber of Commerce President and CEO; Todd Falduti, Southland Mall General Manager; Paul Hodges, HARD Board Member; Toby Long, Chris Music, Joshua Jewett, Mike Nelson

#### **PUBLIC COMMENTS**

Hayward Chamber of Commerce President and CEO Kim Huggett noted the Chamber had been holding seven meetings a month even during the pandemic; Leadership Hayward was holding its last class; and the Chamber was offering one Downtown Summer Street Party on August 18, 2022, from 5:30-8:30pm. He announced the State of City event on Thursday, June 23 at 10am in the Fremont Bank Room at the Hayward Main Library. Mr. Huggett also noted that this was his last meeting as Chamber President after attending 140 CEDC meetings.

Council Members Salinas, Andrews and Wahab thanked Mr. Huggett for his service to the city and business community of Hayward.

#### **1. APPROVAL OF MINUTES OF REGULAR MEETING APRIL 28, 2022**

A motion to approve minutes from the April 28, 2022 Regular Meeting was made by Council Member

Andrews and seconded by Council Member Wahab. The minutes were unanimously approved.

## **2. PRELIMINARY CONCEPT REVIEW – MAIN & B MIXED-USE DEVELOPMENT AT 966 B STREET**

Economic Development Manager Nguyen introduced the item and Associate Planner Kowalski gave the presentation noting by proposing 15% of the 20 units be affordable, the development was entitled to 100% lot coverage and 10 additional units. Associate Planner Kowalski then introduced project developer Chris Music who introduced his two business partners, Dave Waite and Mike Nelson, and architects for the project, Toby Long and Joshua Jewett, and answered questions from Members.

Because of the prime location in the middle of downtown, Council Member Andrews asked if the business partners would consider installing public art more prominent than just a mural. Architect Long said yes and Partner Music asked what she had in mind. When Council Member Andrews said something outside of the building, City Manager McAdoo clarified that because of the 100% lot coverage, if it wasn't a mural, maybe an artistic element on the building. Mr. Long confirmed with staff that the development had no obligation to include public art and noted although they were open to exploring options, due to the cost of public art, they might have to secure a grant first.

Assistant City Manager Ott confirmed there was no public art ordinance on the books but suggested there may be a way to incorporate architectural design or elements in the development while maintaining the proposed footprint. Council Member Andrews noted the City had considered the cost to developers when not adopting a public art ordinance, but suggested the partners think about possible options before bringing the project before Planning Commission or City Council feedback.

Council Member Andrews pointed out architecture surrounding B and Main Streets had a particular style and she asked developers if they could incorporate old-town elements like hand-made tiles into the design. Architect Long said they could pull elements in to fit in with downtown architecture, but the project must be economically feasible.

Council Member Andrews noted the proposed project called for 1,200 square feet of commercial space and she asked what uses had been successful in that sized space at other projects. Architect Long said most residents expressed a desire for food services so the plan was to include infrastructure for that use. He also mentioned a small office with store fronts as a possibility. He noted they were also considering dividing the space in two. Council Member Andrews agreed that food was her preference over office and noted the Economic Development Team could provide information on desired or missing food options for the downtown.

Council Member Andrews asked if supply chain issues would impact the prefabricated portion of the development. Architect Long explained there was no safe harbor from global supply chain issues, but noted the prefabricated parts were put together off-site so construction would only occur on-site when all parts had been assembled.

Council Member Wahab asked where the prefabricated portions of the development were made. Architect Long said somewhere within 1,500 miles; anywhere from Canada to the U.S. depending on availability of parts. He explained that the development would need to be further along to be able to say exactly. Council Member Wahab asked if there was a local company and Mr. Long said most of the

factories were in the U.S., some based in Vallejo, but everything was dependent on availability.

Council Member Wahab expressed concern that prefabricated construction wasn't sturdy enough for multi-family housing. Architect Long confirmed that all construction components were building code compliant.

Council Member Wahab confirmed the number of proposed units (30) and asked for rental rates. Partner Mike Nelson said rents would be market rate but Architect Long added with 15% affordable to very low-income tenants. Assistant City Manager Ott assured her that staff would monitor the incomes of the below market rate tenants.

Council Member Wahab asked why there were 29 parking spaces for a development with 30 units. Architect Joshua Jewett explained that the stacked parking would be accessed via the alley next to the development with an automated key fob system. Due to the location next to public transit, he said, they were not required to provide any parking, but they didn't want to do that. Council Member Wahab said she still had concerns about the parking and hoped with the money saved from using prefabricated construction they would make the development 100% affordable. Architect Long said parking was restricted by available space. Partner Music said they wished they could provide more parking and noted the stacking system was at a high cost.

Council Member Wahab asked why the development couldn't go higher. Architect Long explained that six stories was as high as they could go using wood construction. He also noted that prefabricated construction didn't create dramatic savings. Council Member Wahab asked how much it saved and was told 10-20%. Architect Long said the project could be built traditionally, but Plan A was to go prefab.

Council Member Wahab asked what they had in mind for the first-floor commercial space and was told a restaurant or café. Council Member Wahab said she wanted the first floor to have a draw for the public. She asked about a rooftop restaurant. Architect Long said he didn't want to create party zone on the roof and noted other amenities would be there like shuffleboard and a play structure for children.

Council Member Andrews also asked if the development could include more affordable units and she asked how 20% affordable would pencil. Architect Long explained that the State dictates how many affordable units to build. There was no incentive, he said, to build more than allowed, and he confirmed 100% affordable didn't pencil. Changing from wood construction to go higher would also up the cost, he said. The current proposal seemed like the right balance of size to units to cost.

Council Member Andrews encouraged them to try to get to 20% affordability.

Council Member Salinas said with this being such a prominent corner in the downtown, he was expecting any development to have a wow factor. He mentioned that Council had spent a lot of time trying to make downtown a destination so whatever went in had to be special. He also supported public art. Partner Music asked him to elaborate on what design elements he was looking for and Council Member Salinas asked him to bring examples so he could indicate yes or no.

Council Member Salinas pointed out that affordable housing was a top priority for Council and he

said the number of affordable units would be Planning Commissioners' first question. He said only four units would be a non-starter even understanding the additional cost to developers. Partner Nelson said the reality was it was expensive to build affordable housing. Council Member Salinas said he didn't want to sound pessimistic, and noted he supportive of a development at that corner, but whatever they built had to be new and modern.

Assuming permitting goes smoothly, Council Member Salinas asked how long construction would take. After confirming he meant tenants moving in and not just ground-breaking, Architect Long said 6-12 months for entitlement, approximately 12 months for construction.

Council Member Salinas said there had to be commercial on the ground level or his would automatically be a hard no. Partner Music assured him that the project would remain mixed-use with a ground floor food option the priority.

Regarding the three questions asked at the end of the presentation, Council Member Salinas said the features he was looking for were place-making, something that builds community, and kept with the current downtown vibe. He noted there would be a lot of eyes on the project and this was a prime corner for downtown events so Council Member Salinas suggested a use that supported outside events with a roll-up door or nooks for sidewalk vending.

Partner Music thanked members for their feedback and said they looked forward to building something beautiful at that corner.

### **3. UPDATE ON COVID-19 ECONOMIC RECOVERY RESTAURANT RELAUNCH AND RESTORE AND REOPEN GRANT PROGRAMS**

Economic Development Manager Nguyen introduced the item and Economic Development Specialist Ralston gave the presentation.

Council Member Andrews asked for more information about the Hired Hayward program and if staff would be creating synergy by working with local partners like HUSD and HARD. Economic Development Manager Nguyen said that program was still in pipeline but noted staff would be exploring partnerships. He mentioned that staff was already directing anyone looking for a job to the Alameda County Workforce Development Board as many local employers looked there for local workers.

Council Member Andrews asked if contracted architects were aware of City standards when it came to façade renovations. Economic Development Manager Nguyen said yes, the main criteria for selecting a firm from the slate of four possible companies was to select the one that showed bold, modern colors and lighting. Economic Development Specialist Ralston pointed out that the selected consultant would work have to get staff approval before proceeding with the work. She also noted that expectations would be included in approval letters and checklists.

### **4. FUTURE MEETING TOPICS AS OF MAY 26, 2022**

Council Member Andrews asked if the ED staffing capacity assessment could be moved up to June's meeting. Economic Development Manager Nguyen said he was actively recruiting for another

Specialist and hoped to have something to report in July. Council Member Andrews said she hoped Economic Development Specialist Ralston could continue as a consultant.

#### **COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

Economic Development Manager Nguyen announced Hayward had eight nominees for the 2022 East Bay Economic Development Alliance Innovation Awards.

He also mentioned the completion of a Business Concierge case with a recent ribbon cutting for DuPont EKC on May 12, which was attended by Mayor Halliday, Council Member Salinas, and members of the semiconductor industry. He noted the company, which has been in Hayward since the 1980s, would have a global impact by providing key components for the computer chip manufacturing process. This added capacity is likely to alleviate the global chip shortage, which is attributed to rising costs for electronics, cars, and many consumer goods.

Council Member Andrews said she was excited to see all the nominees. She announced the upcoming Juneteenth event on Saturday, June 18<sup>th</sup> at Heritage Plaza from 10am to 1pm. She said activities would include yoga, hip hop and dance course lessons and a resource fair.

**ADJOURNMENT:** The meeting was adjourned at 6:25 p.m.