



**PLANNING COMMISSION MEETING
VIRTUAL (ZOOM) PARTICIPATION
Thursday, January 26, 2023, 7:00 p.m.**

PUBLIC HEARING

1. Adoption of the 2023-2031 Housing Element for the City of Hayward.

Principal Planner Schmidt provided a synopsis of the staff report and introduced Mr. Jason Montague with Rincon Consultants who helped the City with its Housing Element update.

Commissioner Garg complimented the amount of outreach that staff had done, shared that she participated in several discussions and presentations related to the housing element, acknowledged that there was a tension in the City between housing affordability and lack of housing stock as the population has gone up, that individuals with high incomes were also having difficulty affording housing in the City, the costs of creating housing had increased, and ensuring that new construction remains attractive to developers and that it provides housing options that a variety of people can afford. With regards to labor groups, she raised the argument by labor unions that was ensuring that those working on constructions sites are paid fairly to provide higher income to pay for housing and asked whether labor standards in Hayward are stricter than surrounding areas. She requested that staff speak to these concerns.

Principal Planner Schmidt stated while the points raised were valid, such as the need to pay fair wages, she stated that the Housing Element was not the mechanism to implement this policy discussion. She underscored the role of the Housing Element was to remove constraints on the construction of housing and recommended against adding those constraints to the Housing Element so that the California Department of Housing and Community Development (HCD) would certify the document. Staff recommended the inclusion of softer language indicating that the City supported and was willing to meet with labor groups, and that policies addressing labor standards be addressed separately.

Commissioner Garg stated that based on her experience in serving on the Community Services Commission and what groups had to do to qualify for Community Development Block Grant funding, she stated there was tension on placing constraints on certain unit types and sizes to ensure units be affordable and attracting contractors who supported those standards. Principal Planner Schmidt concurred the City did not have enough large rental units within the city and that was the reason for more crowding in rental units than ownership units. Staff discussed adding points to the Notice of Funding Availability for developments that included larger units for families and identified special needs populations. Ms. Schmidt noted the Housing Element did not include requirements that projects must include a specific percentage of large units. She clarified that the Housing Element included an incentive approach rather than a more onerous regulatory approach.



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Commissioner Patterson thanked staff for answering the question on Senate Bill (SB) 9 which she had posed before the meeting. She requested that staff elaborate on what was included in underutilized sites in the housing inventory as it seemed this made up a majority of the unit surplus and whether there could be an opportunity to convert to a multifamily housing unit. She also wanted to understand how this related to rehabilitation and repair projects.

Principal Planner Schmidt clarified that no properties with existing residential uses were identified as underutilized sites adding that the underutilized sites were either commercial uses or vacant buildings.

Mr. Jason Montague stated that the sites explored were both vacant and non-vacant sites, which were also known as underutilized sites. Since vacant sites don't have constraints to development they are explored first for housing opportunities; and underscored that cities typically did not have adequate vacant land to build on to satisfy Regional Housing Needs Allocation (RHNA). For these reasons, staff has to evaluate non-vacant sites that have high redevelopment potential. Existing uses at these non-vacant sites are reviewed to see if they align with development trends. A majority of the underutilized sites are parking, sites with low floor area ratio and low improvement land-value ratio where the land is worth more than the improvements on them. They analyzed structure age, with most of the structures being at least thirty-five years old; location of the sites which have to align with appropriate zoning and development trends in Hayward; and then through a fair housing lens. Mr. Montague shared that if a site identified in the inventory is developed with a use other than for housing or for lower density than assumed in the inventory, then the City needs to replace the site per the State Law. He noted that the findings were that Hayward did have enough sites to satisfy RHNA, and a backup list was developed with additional sites in the event that a site doesn't develop in accordance with assumptions in the Housing Element.

Commissioner Stevens requested further details about the Senate Bill (SB) 9 process. He understood if he owned a single-family home, he could tear the existing structure down, subdivide the lot, and build four new units. Principal Planner Schmidt confirmed that was correct. She noted if a renter lived on the lot, the renter could not be displaced for the owner to subdivide, and the property would have to sit vacant for a number of years after the tenant moved in order to allow for this. Ms. Schmidt added that individuals could not buy contiguous pieces of land and then subdivide the lots; and underscored the true intention of the legislation was to enable a property owner to turn a single-family unit into a duplex and protect against largescale investors and developers.

Commissioner Stevens understood that per the legislation, an existing established neighborhood would begin to see lots being subdivided, changing the form of the



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neighborhood. He expressed concern about historical character homes and essentially there being no control about what is being constructed apart from no more than two units per lot. Principal Planner Schmidt remarked the parcels have to be single-family residentially zoned, and that having an older or established neighborhood did not preclude that neighborhood from following State Law unless the homes or neighborhood are a designated historic structure or district.

Commissioner Stevens asked how the City planned to expedite the SB 9 process. Principal Planner Schmidt explained staff had an objective checklist that SB 9 projects must follow. Staff also developed a frequently asked questions document, made available in English and Spanish, and posted this on the City website. Staff had received three SB three applications so far. Planning Manager Lochirco mentioned the Planning Division was currently working on the development of Residential Design Standards and once adopted, a SB 9 project would be required to follow those standards.

Commissioner Stevens commented if the Objective Standards were rigorous then the City would regain local control over how neighborhoods were shaped. Planning Manager Lochirco confirmed the City could design a clear set of principles that could be context-sensitive for specific neighborhoods. He shared that staff would be bringing forward Objective Standards for the Commission to consider in the coming months.

Commissioner Stevens asked what outcomes were being envisioned with having discussions with the labor unions. Principal Planner Schmidt found setting aside a formal time to establish a good working relationship with partners was a good practice. She envisioned best practices could be identified from these discussions, also being informed of what other jurisdictions were doing in this area.

Commissioner Stevens suggested the City explore funding schools to teach youth about construction jobs and supplying them with training to be able to enter the construction field. He stated if the City was interested in creating a labor pool, it should be investing in the youth. Principal Planner Schmidt emphasized that the goal of the Housing Element was to get as much good development for as many income levels as possible, without further constraining developments, and noted that funding apprenticeship programs and schools was a great idea but should not be a part of the Housing Element.

Commissioner Goodbody inquired if the labor union discussions would be on a per-project basis. Principal Planner Schmidt answered it would be on an annual basis unless they specifically request a discussion about a project.

Commissioner Bonilla Jr. asked what incentives for housing development were not included in the Housing Element and what constraints were considered that were not



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removed. Principal Planner Schmidt stated that the cost of development was one of the largest constraints and the City's Impact Fees were a part of this constraint. Staff explored Impact Fees and compared the City's fees to surrounding jurisdictions. The findings were that the City's fees were not relatively high and she emphasized that the fees make the city a livable place for residents. The other constraint was the City's entitlement process, noting that the city was working towards streamlining the processes and there was no proposal to remove or eliminate the entitlement process. She indicated that in comparison to other jurisdictions, the City's entitlement process was not overly burdensome.

Commissioner Bonilla Jr. mentioned the City often provided a white glove service to help developments navigate the process and wondered if something similar could be done for the Housing Element. He inquired how the Housing Element accommodated and addressed an aging population. Principal Planner Schmidt noted the Housing Element did include incentives to expedite development by connecting with developers early in the process and helping them through the process for commercial and residential projects. With respect to an aging population, Ms. Schmidt restated that developments that accommodated groups identified as special needs would receive special incentives or points enabling them to receive additional funding. She added that universal design guidelines were being developed and the reasonable accommodations ordinance will be updated to remove constraints of a burdensome planning process that may inhibit the addition of structures like ramps.

Commissioner Bonilla Jr. acknowledged that many residents were cost-burdened by high rents and he asked how was the City going to retain affordability of rental units. Principal Planner Schmidt confirmed the only plan in the Housing Element was related to continuing implementation of the Rent Stabilization Ordinance and was not aware if any updates were planned for this Ordinance in the coming years.

Vice Chair Lowe opened the public hearing at 9:27 p.m.

Mr. Nazario (Zoom participant) asked if the Housing Element included planning for dog parks or children's parks that go along with high density housing. Principal Planner Schmidt answered that per the Zoning Ordinance new development was required to have a certain amount of common and private open space, programming of the space was a the discretion of the developer, with staff input.

Vice Chair Lowe closed the public hearing at 9:29 p.m.

Commissioner Stevens appreciated staff's work but stated he had two areas of concern. The first was that the State of California had taken away the City's ability to form the built environment. He found it troubling that the City would be expediting SB 9 applications



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because those applications had the potential to change the form of a residential neighborhood. He feared that the public was not aware of those changes and will become aware as housing is torn down and new structures constructed. Mr. Stevens appreciated the Objective Standards that the City will work towards, but did not have high hopes that the City will be able to create a protocol that will be consistent with State Law, resulting in the loss of local control of development. His second concern was that he was unclear why the City felt it must meet with labor unions, especially the carpenters union. In his experience, most residential wood frame construction was built by non-union labor, adding that the marketplace was competitive, and that workers were paid very well for labor due to the limited supply for this type of workforce. He questioned that if the City was to meet with the carpenter's union, it should meet with local framing contractors as well as they may have valuable input to provide. He was gravely concerned about SB 9 as the impact of this legislation will become evident towards the end Housing Element's 8-year period.

Commissioner Goodbody thanked staff for their hard work and appreciated staff's thorough answers to the Commission's questions.

Commissioner Bonilla Jr. found the Housing Element to be very comprehensive, appreciated its evolution over the past several years, he found the document to be responsive to the needs identified in the community and found the community outreach to be very robust. He encouraged staff to continue that type of outreach in the future. He expressed his excitement to see the section on fair housing and the City's will to center housing through the lens of race and equity. Mr. Bonilla Jr. supported the City having discussions with labor unions and appreciated Commissioner Stevens' comments. He indicated that discussions should be open between labor groups and the community, encouraged staff to open discussions to other trade groups should they request to meet like the carpenter's union have done so, and believed the discussions would create a balance between both parties and foster creative solutions. He requested that staff provide an update to the Commission after those discussions take place if they impact the Housing Element.

A motion was made by Commissioner Bonilla Jr., seconded by Commissioner Patterson, to approve the staff recommendation with a revision to include contractors and other groups that employ construction laborers.

Commissioner Stevens supported the language as long as the City was agnostic to union versus non-union trades. He requested that staff clarify what is meant by expediting SB 9 projects. Principal Planner Schmidt explained that SB 9 project applications were a ministerial permit which bypassed discretionary review by staff. She elaborated that the expedited portion meant that still provide outreach and education about the law, and will assist individuals with the application process. Planning Manager Lochirco added that the



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State created SB 9 legislation and also determined that local discretion needed to be ministerial if projects met specific criteria and clarified that the expediting of SB 9 was that if an applicant had interest in pursuing SB 9, that staff provides materials necessary for the applicant to comply with state and local regulations.

The motion passed with the following roll call votes:

AYES:	Commissioners Bonilla Jr., Garg, Goodbody, Patterson, Stevens Chair Ali-Sullivan, Vice Chair Lowe
NOES:	None
ABSENT:	None
ABSTAIN:	None