



## **COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

### **MEETING MINUTES – December 2, 2019**

**CALL TO ORDER:** Mayor Halliday called the Regular meeting to order at 4:02 p.m.

#### **ATTENDANCE (September 2019-July 2020):**

Committee Member	Present 12/2/19	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	3	0	3	0
Council Member Mendall	✓	3	0	3	0
Council Member Salinas	✓	3	0	3	0

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

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Laura Simpson, Director of Development Services; Paul Nguyen, Economic Development Manager; Sara Buizer, Planning Manager; Catherine Ralston, Economic Development Specialist; Edgar Maravilla, Associate Planner; Suzanne Philis, Senior Secretary; Kim Huggett, Chamber of Commerce; Paul Hodges, HARD; Chris Zaballos and Vince Vicari, D.R. Horton; Ed Bogue, Hayward resident

#### **PUBLIC COMMENTS**

Hayward Chamber of Commerce President and CEO Kim Huggett announced a Bio-Medical event happening Dec. 3<sup>rd</sup> at City Hall in conjunction with the Economic Development team; a free Alameda County Small Business Development Center workshop with the topic Business Finance on Dec. 11<sup>th</sup>; and the City's annual holiday event, Light Up the Season, on Saturday, Dec. 7<sup>th</sup> from 3:30-6:30pm at City Hall.

Hayward resident Ed Bogue commented that the existing hedge and landscaping along Calaroga would provide an easy-to-maintain screen between neighbors and the proposed building at 1000 Playa. Mayor Halliday asked him to please hold comments until they got to that item on the agenda.

#### **1. APPROVAL OF MINUTES OF REGULAR MEETING NOVEMBER 4, 2019**

A motion to approve minutes with one correction from the November 4, 2019 Regular Meeting was made by Council Member Salinas and seconded by Council Member Mendall. The motion was approved.

## **2. PRELIMINARY CONCEPT REVIEW FOR A PROPOSED MIXED-USE PROJECT AT 1000 LA PLAYA DRIVE**

Economic Development Manager Nguyen introduced the item noting the site was commonly referred to as the Burlington Coat Factory site. He then introduced Associate Planner Edgar Maravilla who gave a brief presentation before yielding the floor to D.R. Horton representatives Chris Zaballos and Vince Vicari. Mr. Vicari provided examples of similar Bay area developments completed by D.R. Horton and Mr. Zaballos spoke to the proposed project at the 5.4-acre site across from Southland Mall.

Council Member Mendall asked staff what restrictions related to the airport would impact the project. Planner Maravilla said the Airport Land Use Commission would need to evaluate the project and said the regulations related to the density of residential developments were subjective.

Council Member Mendall asked if the Planning Manager could overrule the Commission. Planning Manager Buizer confirmed that if the proposed development was in line with the City's General Plan she could overrule the Commission, but in this case, the density was higher and would require a General Plan amendment. Council Member Mendall asked if City Council could approve the amendment and eliminate the need for the Commission's review.

City Manager McAdoo asked if the City Council had the ability to overrule the determination of the Land Use Commission if they approved a General Plan amendment. Planning Manager Buizer said she would have to check with legal staff before giving a definitive answer.

Council Member Mendall said he asked because he was in favor of a taller, higher density development at this site as long as building heights didn't create any safety issues and were tiered closer to the existing single-family homes. He said he would also like to see more amenities including a larger commercial frontage along La Playa and pocket parks.

Council Member Mendall said he preferred stacked flats for mobility and accessibility reasons, but did not support tandem-parked garages for residential units because they were never used as such. Mr. Vicari said all four-story residential buildings without underground parking used tandem parking. Council Member Mendall said for 1- and 2-bedroom units tandem parking was acceptable, but not for 3- and 4-bedroom units. Mr. Vicari acknowledged tandem parking was an issue they frequently wrestled with.

In terms of long-term vision for Southland Mall and the area around it, Council Member Mendall said Commercial/Office uses would be ideal for the frontage with housing behind.

Council Member Salinas asked if neighbors had been consulted about what they'd like to see. City Manager McAdoo said no because this was the "first touch" with Council and noted when a formal project application was received neighbors would be contacted for feedback.

Mayor Halliday asked Mr. Bogue how he heard about the project. Mr. Bogue said he saw the item on the CEDC's agenda last week but hadn't had time to discuss the project with neighbors.

Council Member Salinas emphasized his desire to have neighbors contacted for feedback. He said once the City started letting go of commercial space to allow for residential development, they could never get that space back. He said he envisioned this area remaining commercial and would like to see an analysis of whether residential would provide the same benefit. He noted that Southland Mall had its good and bad days and malls everywhere were rethinking their futures. Council Member Salinas said he could imagine housing above the mall, but he didn't want to lose the commercial space it provided.

Council Member Salinas said he would support the proposed General Plan amendment because he wasn't afraid of housing or density and liked the idea of residents being able to walk to retail. He said he would not support a project that did not include on-site affordable housing and reminded everyone that there were students just across the street at Chabot looking for housing. Council Member Mendall asked if he would support studio units or smaller for students and Council Member Salinas said yes. He said would also like to see more food options near the mall.

Council Member Salinas said he wasn't sure what the long-range vision for the Mall should be but agreed it should be reconceptualized. He said some really great things had been done at malls in other cities, but recent interior improvements at Southland hadn't had the impact they had hoped for. He noted the exterior looked better, especially the activation of the side facing the freeway.

Council Member Salinas asked staff what they thought about the future of retail along major corridors and at sites like this. He asked what would happen if Council said no to this project and demanded Class A office space be built instead. Mr. Zaballos said most likely a church would go into the existing space.

Mayor Halliday noted that the City considered buying the theater property just around the corner on Hesperian but a church expressed interest in the property, said they would make improvements and that the church would bring people to area to shop and dine.

Mayor Halliday asked for more information about the 4-story concept. Mr. Vicari said that was not their intention, 4-story products were more expensive to produce, and noted they were proposing 2- and 3-story buildings at this site. He said the number of higher density developments was decreasing in the Bay area and only 25% of the development near Newpark Mall was 4-story. He noted the two 2-story units were stacked with tandem parking below and no elevators.

Mayor Halliday said the size and height of project proposed made more sense for the area which included some multi-family buildings, but mostly single-family homes.

Mayor Halliday shared Council Member Salinas' concern about losing commercial space, but noted it didn't really work there, that corner was the gateway to the neighborhood, and she wanted to keep the area walkable. She noted that La Playa was not a City street, that it was controlled by the Mall, but would hope that staff would take whatever action they could to keep La Playa as pedestrian-friendly as possible.

Mayor Halliday acknowledged requiring commercial space could be problematic but pointed out it didn't have to be retail. It could be a service that wouldn't require a lot of parking like child, elder or pet care.

Regarding the future of Southland Mall, Mayor Halliday said first staff needed to understand any restrictions that would impact plans and projects. She said analysis had been conducted and focused improvements had been made along Mission Boulevard, in the downtown, and along the Tennyson Corridor, next, she said, they needed to focus on Hesperian and the Mall was a huge part of that. She asked staff to prioritize the analysis of Hesperian because the Mall was changing and becoming more of an entertainment center with the new theater and bowling alley opening. She noted that there were three owners of Mall property so creating one vision might be difficult.

Mayor Halliday agreed the City needed more housing and agreed affordable housing should be kept on-site, preferably the same types of units offered for a lower price. She wasn't sure if housing fronting La Playa was a good idea especially since the City didn't own the road. She supported a General Plan amendment but wondered what impact that would have on the Airport Land Use Commission's determination.

Mr. Zaballos asked if building a community amenity along La Playa would make better sense than commercial space. Mayor Halliday said possibly a linear park but added that holding a community meeting for feedback from neighbors would be the best way to determine the best, most desired use for the space.

City Manager McAdoo said infill developers had expressed a desire to keep housing and commercial uses separate rather than stacked on top of each other. Council Member Salinas asked if she was proposing splitting the site in half with commercial along La Playa. City Manager McAdoo said not necessarily, but asked that Council remain flexible and to make ground floor retail an option not a requirement. She noted financing was easier to secure when the two uses were separate.

Mayor Halliday said the Calaroga frontage would be more conducive to housing.

Council Member Mendall he was extremely flexible on how the space got divided, his concern would be that the commercial wouldn't get built. He said he wouldn't support allowing the retail space to be developed later after the housing was complete. He also said that substituting a park for the commercial space would be a tough vote for him. He said moving the housing to the Calaroga side made sense but he wanted to keep the mixed use.

Council Member Mendall said he also forgot to mention that there should be a public art component to the development. Nothing huge, he said, just something that created a gateway into the neighborhood.

Mayor Halliday said La Playa wasn't a heavily used street, but pointed out that the site plan showed an entrance from La Playa and asked if D.R. Horton would need permission. Mr. Zaballos said there were existing easements but acknowledged he would need to do some more investigating.

Council Member Salinas added he was flexible about how commercial was included in the development.

Mayor Halliday encouraged Mr. Zaballos and Mr. Vicari to reach out to neighbors.

### **3. FUTURE MEETING TOPICS AS OF DECEMER 2, 2019**

Council Member Salinas asked if staff could provide more information about the concept of a community bank. City Manager McAdoo said about a year and a half ago the City of Oakland starting looking into a community bank and although that fell apart, a new group was formed to consider a regional bank made up of a number of public agencies. She said she, along with the City's Finance Director, had attended some of the meetings and had been monitoring Board communications. She said she was concerned about the substantial financial contribution that would be required to participate and noted undocumented individuals would not be allowed to open accounts which was why Hayward was initially interested. Council Member Salinas asked if credit unions allowed undocumented individuals to open accounts and was told not if the credit union was FDIC-insured.

City Manager McAdoo said she would continue to monitor the Board's discussions but noted it was very political and she didn't know who would be managing the money.

Economic Development Manager Specialist Nguyen said Darien Louie, formerly the Executive Director with the East Bay EDA, now a consultant for Alameda County, was also exploring a community bank by calling cities for feedback and concerns. He said when her report was available he could arrange to have her present her findings to the CEDC. In addition to concerns about financial risk and equity, Manager Nguyen also noted that only a limited number of public banks were allowed in California so larger, county-wide banks were more likely to be created.

City Manager McAdoo said if formulated in an effective way and with the proper controls put in place a bank could a positive thing for the community. She said a report would be going to the Budget & Finance Committee next year and could also be presented to the CEDC.

Council Member Mendall asked when minimum wage was going to Council and if it should come back to the CEDC first. City Manager McAdoo thought it was going straight to Council but deferred to Economic Development Manager Nguyen for an update. Manager Nguyen said staff was completing the last of the 14 community outreach meetings regarding minimum wage and would circle back with the City Manager in a week or so with the feedback and findings to determine next steps.

City Manager McAdoo said it might make sense to bring the topic back to the CEDC for further discussion, but noted there wasn't a January meeting currently scheduled. Manager Nguyen said a Special Meeting could be scheduled if necessary.

Council Member Salinas asked if long-time merchants could be contacted for feedback. They've been around for a long time, he said, and many haven't heard about the City's proposal to accelerate the State's timeline to raise minimum wage to \$15/hour by 2022. He said the feedback he's received had all been the same: too fast, why do it now, and why faster than the State. Manager Nguyen said staff would reach out to individual long-time business owners.

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

Economic Development Manager Nguyen said in addition to Light Up the Season, the Downtown Holiday Shopping Passport Program was back and promotional materials including a list of participating vendors and the passport template were live on the City's website and through social

media. Mayor Halliday said she'd already turned in two passports and had almost completed a third.

Manager Nguyen also mentioned the biomedical event happening the next day and the Grand Opening ribbon cutting for Bon Mange—one of the new retailers at the former Green Shutter site—on Friday, Dec. 6<sup>th</sup>. Mayor Halliday asked if the downtown was getting too many ice cream places and Manager Nguyen said according to developers these were the places that were growing. Retail spaces where people could have an experience and take a photo for social media, along with their fancy treats, were what people wanted. Having Bon Mange open downtown was a win, he said, and the story about the owner's hometown connection would be told at the opening.

Manager Nguyen also mentioned that AC Transit was holding an on-site hiring event on Dec. 14<sup>th</sup> with more than 50 operator and mechanic positions open. Mayor Halliday said they probably paid more than \$15/hour and City Manager McAdoo agreed and also noted workers received PERS retirement benefits.

**ADJOURNMENT:** The meeting was adjourned at 5:18 p.m.