



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – June 1, 2020

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:04 p.m.

ATTENDANCE (September 2019-July 2020):

Committee Member	Present 6/1/2020	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	7	0	7	0
Council Member Mendall	✓	7	0	7	0
Council Member Salinas	✓	7	0	7	0

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Laura Simpson, Director of Development Services, Paul Nguyen, Economic Development Manager; Sara Buizer, Planning Manager; Gary Nordahl, City Building Official; Leigha Schmidt, Senior Planner; Catherine Ralston, Economic Development Specialist; Suzanne Philis, Senior Secretary

PUBLIC COMMENTS

There were none

1. APPROVAL OF MINUTES OF REGULAR MEETING MAY 4, 2020

A motion to approve minutes from the May 4, 2020 Regular Meeting was made by Council Member Mendall and seconded by Council Member Salinas. The motion was approved.

2. INFORMATIONAL REPORT ADDRESSING EXTENDED TIMEFRAMES TO REESTABLISH NONCONFORMING USES DUE TO COVID-19 CRISIS

Senior Planner Schmidt gave the presentation noting the City Council had asked the Committee to review the item and provide direction to staff.

Council Member Mendall said he was concerned about making it easier for nonconforming uses to continue when the City in the long-term didn't want them. He cited as an example a warehouse use

proposed by Amazon on Depot Road. During those discussions it was proposed that Amazon would need a conditional use permit that would require them to contribute funding to the City to maintain roads. He asked if a warehouse use would be allowed without that condition if timelines were extended.

Senior Planner Schmidt explained that the way Amazon occupied the site would be classified as a Truck Terminal and would still be subject to a conditional use permit under both old and new regulations. Council Member Mendall asked what if a truck terminal left and Senior Planner Schmidt confirmed that another truck terminal use would be allowed within six months.

Council Member Mendall said regardless of the specific sites being discussed, he was more concerned with the principal of the extension and possibly creating a loophole if the City couldn't deny the use based on one of the four findings listed in the staff report. He said he wanted the City to maintain discretion and was uncomfortable with such a blanket proposal. On a case by case basis, he said he would be willing to make exceptions.

Director Simpson said staff was trying to accommodate the unusual situation created by the COVID-19 crisis and the hardship it created for the site on Weigman Road. She said she did understand his perspective and that it could set a precedent for the industrial zone.

Council Member Mendall asked what would happen if a vaccine for COVID wasn't developed for two to three years. The City would potentially be stuck with undesirable uses under this proposal, he said.

Council Member Salinas said he understood what Council Member Mendall was saying but had no opinion.

Mayor Halliday said when she initially read the report she was preoccupied with other impacts of the health crisis and thought it was a good solution, but Council Member Mendall brought up a good point. When the pandemic ends, she said, the use should conform to the new zoning regulations. She said she could only support the allowance if the condition clearly stated it was related to COVID.

City Manager McAdoo asked staff what the policy would look like to allow Council to make decisions on a case-by-case basis rather than as a blanket change.

Senior Planner Schmidt said yes, noting then it would look like the item that went to Council and generated this report. Council could approve it as an exception, she said.

Planning Manager Buizer said she understood the reservation with creating a blanket policy. She said to keep in mind that because they were talking about non-conforming uses, the policy would be applicable city-wide. She said each case could receive independent review and either Council could decide or the CEDC could make a recommendation to Council.

Director Simpson said to keep the interpretation narrow staff could bring each case to Council to make an interpretation.

Senior Planner Schmidt said Council would have to be careful about consistency, not seeming arbitrary, and not showing favoritism. She said Council would have to find a balance and that could get tricky.

City Manager McAdoo pointed out only one request for an extension has been received. She also was concerned about creating a blanket policy for only one case. She understood the concern about consistency and recommended projects come to the CEDC for review as the first step of the process.

Council Member Mendall recommended adding a condition that said staff had the discretion to deny the request.

Council Member Salinas asked how often this scenario come up and if this discussion was only related to the pandemic.

Council Member Mendall explained that normally an existing nonconforming use could be replaced by another within six months. Because of COVID the City was being asked to extend that timeframe.

Council Member Salinas asked if the question was whether the City should transition to the updated zoning codes and was told yes. With that he said he was OK with not granting the extension and requiring the project to go through the normal process.

Council Member Mendall said that was one answer but that he was open to finding a middle ground.

Director Simpson said the simplest solution was to stay with the code to avoid the appearance of inconsistency. She said when the question first came up they didn't know how long the shelter in place would last. Since it could last for quite some time, she said she was comfortable with recommending policy stay the same.

Mayor Halliday asked if the possibility of an extension had been discussed with the business owner. Senior Planner Schmidt said they were aware of the staff report and confirmed for the Mayor that they had never been told yes to the extension.

Mayor Halliday said the current policy didn't preclude them from leasing the building so she was OK with not granting the extension.

Council Member Mendall said when a project came to Council for approval, they would know the use and could approve it as non-conforming.

Major Halliday said she appreciated staff's attitude of trying to help people get through this crisis.

3. DEVELOPMENT PIPELINE UPDATE

Director of Development Services Simpson introduced the item noting the Building and Planning Divisions were the economic engine of the City by following the processes for plan review, permit review and construction as mandated by state law under building codes and permit streamlining. She said during this crisis, Building Inspectors continued to work in the field with PPE throughout the shelter and place, and Code Enforcement and Planning staff continued to keep projects moving forward by both coming in and working from home. She noted that while there was an initial slow down at the beginning of the COVID crisis, staff have remained productive. She also noted that she now had numbers for May 2020 and the news was positive with a spike of activity. She then gave a presentation that compared 2019 building permit activity and planning applications against 2020.

Council Member Mendall said he was afraid developers would head for the hills when the pandemic hit, but it didn't look like they would. He asked because he wondered if the City should change some policies to keep projects moving but that also didn't seem necessary. He realized everyone just needed to be patient and keep doing what they're doing. He thanked staff for keeping everything moving during this time.

Council Member Salinas said he was glad to see that there was still a lot of building going on up and down Mission Boulevard. He noted only one project seemed to be impacting traffic and that was the Campway project at Tennyson Road. He said he hoped Lincoln Landing was progressing as well noting he hadn't heard anything from neighbors. He noted that he was still hearing from folks wanting to move forward with projects. Council Member Salinas said the numbers presented gave him optimism.

Mayor Halliday agreed that the report was encouraging. She asked staff to talk about the new EnerGov program Development Services was exploring. Director Simpson said the contract was approved by Council last November with Tyler Technologies, the same company that produced the City financial software, MUNIS. EnerGov will allow online permitting and tracking, she said, and will merge with GIS mapping tools. Director Simpson noted having EnerGov available as a software solution would help in the future if there was another shelter in place order.

Mayor Halliday commented that smaller projects might be more difficult for staff because the applicants can't come in and may not have access to technology. She asked if just those projects could continue to come into City Hall for processing. Director Simpson said staff was still working on solutions to limit exposure and the number of workers in the building at the same time.

Council Member Mendall said the tables in the presentation were very helpful and asked that the numbers be included in the development update to Council. Director Simpson said she could send another update at the end of June.

4. FUTURE MEETING TOPICS AS OF JUNE 1, 2020

Council Member Salinas said he would like staff to start imagining what B Street and downtown restaurants would look like post-COVID. Mayor Halliday confirmed he wanted to add an item to the agenda and confirmed with staff that they were already working on plans as the shelter in place lifted. Council Member Salinas said downtown merchants were already reaching out to him for plans and ideas. Mayor Halliday asked that an item be put on the July agenda.

Council Member Mendall said that tied into his request at the last meeting for an item discussing the economic impacts of pandemic on local businesses. He said he wanted to have a conversation about that as soon as would be practical but acknowledged July may be too soon to know. Mayor Halliday said the impact of the COVID crisis could be an umbrella agenda item that could cover various updates. She said next steps were already being discussed but it was still too soon to open everything up.

Manager Nguyen said Specialist Ralston and Planning Manager Buizer were working with the Downtown Hayward Improvement Association Board and internal staff to produce a Downtown reopening report for the July meeting. The report would include best practices of other jurisdictions

around the county were doing as the SIP ends. He reassured members that staff would be in a better position to present in July.

Manager Nguyen also noted that representatives from the Alameda County Workforce Development Board would be giving a presentation on labor market conditions at the July CEDC meeting. The City receives a WARN notice, he said, whenever a business lays off more than 50 workers per State and Federal laws. He said the County tracks the information but so does Economic Development staff. To date 3,603 jobs have been lost, he said, and that was only for large businesses with more than 75 workers; staff didn't know yet the impact to small businesses.

Council Member Mendall said in the next six months he would like to get an idea of the impact to small businesses so Council could develop a strategy before the City received an application for the next big project. He noted Council had been pushing to protect commercial spaces but now he was wondering if that policy needed to change; commercial space in every development may not be practical, he said.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

There were none

ADJOURNMENT: The meeting was adjourned at 5:04 p.m.