



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – July 22, 2021

CALL TO ORDER: The Regular meeting was called to order at 5:00 p.m.

ATTENDANCE (September 2020-July 2021):

| Committee Member | Present 7/22/2021 | All Meetings Year to Date | | Meetings Mandated By Resolution | |
|------------------------|----------------------|------------------------------|--------|------------------------------------|--------|
| | | Present | Absent | Present | Absent |
| Council Member Salinas | ✓ | 8 | 0 | 8 | 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, Acting Deputy Development Services Director; Paul Nguyen, Economic Development Manager; Catherine Ralston, Economic Development Specialist; Elizabeth Blanton, Senior Planner; Suzanne Philis, Senior Secretary

PUBLIC COMMENTS

There were none.

1. APPROVAL OF MINUTES OF REGULAR MEETING JUNE 24, 2021

A motion to approve minutes from the June 24, 2021 Regular Meeting was made by Council Member Wahab and seconded by Council Member Andrews. The minutes were approved.

2. PRELIMINARY CONCEPT REVIEW: DIXON TOWER HOTEL PROJECT AT 29183 DIXON STREET

Senior Planner Blanton gave a brief presentation noting the applicant submitted a Conceptual Development Review Application in February for high-level feedback on the proposed 5-story, 48-room project. The presentation provided an overview of the project and several policy questions for the Committee members to consider.

Council Member Andrews asked the applicant, Paul Wong, why he selected the location and if there

was another location closer to BART and the Cadence apartment complex.

Mr. Wong said he was locally based and owned ten rental properties in Hayward. He said Hayward had always lacked transient locations, but the revised zoning ordinance could change that with higher, denser buildings and he wanted to be the first to do so. He acknowledged the properties next to the proposed development were low-density but thought it was the City's intention to move away from that in the future. He pointed out the location was close to BART.

Council Member Andrews asked the applicant to explain their approach to design, namely, why this design in this neighborhood. Architect John Lee said the design was very simple and similar to new development occurring on Mission Boulevard.

Council Member Andrews asked Mr. Wong if he would build the same product in another city, and she commented that the size of the development seemed invasive for the surrounding neighborhood. Mr. Wong explained that he was just taking advantage of the new zoning ordinance that went into effect last year. He said other cities didn't have this zoning except over a BART station.

Council Member Andrews said the precedent of higher density in neighborhoods had been set, but the design of the hotel didn't fit at this location.

Senior Planner Blanton said Planning staff had the same reaction. She noted the project would have to meet required findings but also allow the neighborhood to evolve. In comments provided to the applicant, she wrote the project would need to have a better relationship to the neighborhood.

Council Member Wahab asked how big each of the hotel rooms would be. Mr. Wong said not small; they were designed to be comfortable with a kitchenette in each suite. Council Member Wahab asked for the square footage and Mr. Wong said 200 square feet for the middle units, 450-520SF for the end units, comparable to a studio apartment. He noted the expectation was that guests would come for an extended stay.

Council Member Wahab asked staff what the response had been from neighbors. Senior Planner Blanton said neighbors had not been outreached yet because no formal proposal had been submitted.

When the City said higher density, Council Member Wahab asked Mr. Wong why he jumped all the way to 48 units. Mr. Wong said the revised zoning gave him the perception that the City wanted higher density. He said he wasn't locked into the design if the City wanted something different.

Council Member Wahab asked staff what the thought process was behind the new zoning. Senior Planner Blanton said she hadn't been part of the form-based code planning process but a decision had been made to move to higher densities in certain areas, like Mission Boulevard and the downtown core, to provide much-needed housing. She said it wasn't staff's intention to go from a single-family home to 48 units.

Council Member Wahab said the lot was too small for the proposed design and although she understood the need to build more housing, a five-story building was too high. She also expressed concern about guests parking their cars in front of neighboring homes and noted the City didn't have a bike share program so that wasn't an available alternative to driving.

Council Member Wahab said the City may be moving in this direction, but for now, the proposed hotel was too tall and would change the character of the neighborhood. She also noted that nearby homeowners would not like it. She said the hotel idea needed to be reviewed and suggested housing as an alternative.

Assistant City Manager Ott said the intent of the formed-based code was housing, not a hotel. Senior Planner Blanton noted the project would not be approved by-right under SB330 because it wasn't housing.

Council Member Wahab said she supported slight zone changes but emphasized that design standards needed to be maintained and should be set for different areas of the city.

Council Member Salinas said he looked at the project renderings before he read the staff report and he liked the design when he first saw it. He said it was different and unique to Hayward. He asked the applicant what inspired the design. Mr. Lee explained that under the building code, ground floor units had to have 16-foot-high ceilings and the façade panels were veneers.

In response to the question posed in the staff report "Are you supportive of a hotel use at this site," Council Member Salinas noted that although the site was zoned to allow the proposed use, it was a residential street and bringing in a modern building would signal that something was coming and it might start looking like gentrification. He said he'd seen it in other areas. Regardless if it was a good design, Council Member Salinas said if the use was too sharp, too much of a contrast for the area, it was a concern.

Mr. Wong reiterated that there were similar buildings at SoHay and that he wasn't locked into this design, it was only conceptual.

Council Member Salinas mentioned that if the architecture was more in harmony with the surrounding structures he might think differently, but with this design he would have concerns about bringing the project to Council.

Council Member Salinas asked about the operational characteristics of the proposed hotel mentioned in the staff report.

Economic Development Manager Nguyen explained that the hotel was very tech based with all reservations done via app. He said in applicant's submitted materials that it unclear if any staff would be present and what security would be in place.

Council Member Salinas asked if there would be a front desk. Mr. Wong said there would be staff onsite, but most reservations would be done online. Mr. Wong said he would work with Senior Planner Blanton on the design and noted Hayward needed more hotels, especially around BART.

Council Member Salinas mentioned he worked at Cal State East Bay and it was hard to recommend a hotel in Hayward. He said most of his guests stayed in San Francisco, Fremont or Milpitas. Mr. Wong said that was why he proposed a hotel, but Hayward also needed housing so he could build that too.

Council Member Andrews asked if SoHay was five stories and was told the apartments on Mission were five stories, the townhomes were three.

Council Member Andrews said there may be a precedent of five-story buildings on Mission Boulevard, but not on residential streets. If the site was closer to BART and the Cadence development she said she could see it, but not at this location with this design. She acknowledged the need for hotels, so she wasn't saying no to the idea, but mentioned the hotels currently being built were located along major corridors.

In answer to the questions posed in the staff report, Council Member Andrews said yes to a hotel, no to five stories, that she wasn't concerned about parking because the duration of stays would be short and guests could use BART, and that she did have concerns about the need for security all the time and not just certain hours.

3. APPROVAL OF FISCAL YEAR 2021-2022 REGULAR MEETING SCHEDULE

Economic Development Manager Nguyen noted there were potential conflicts with the September 23rd Regular Meeting but not with the proposed Special Meeting on September 16th.

Council Member Andrews made the motion to approve the FY22 Regular Meeting Schedule and Council Member Wahab seconded the motion. The motion was approved.

4. ELECTION OF CHAIR AND VICE CHAIR FOR FISCAL YEAR 2022

Economic Development Manager Nguyen introduced the item noting per the CEDC bylaws, new officers were usually elected at the start of every fiscal year but because of the election in 2020, appointments had been made in February of 2021.

Council Member Wahab said if Council Member Salinas was willing to continue as Chair and Council Member Andrews as Vice Chair she would make the motion to extend their appointment to June of 2022. Both accepted. Council Member Andrews seconded the motion and the motion was approved.

5. FUTURE MEETING TOPICS AS OF JULY 22, 2021

Council Member Andrews asked if the Chamber of Commerce gave presentations. Manager Nguyen said Mr. Huggett usually provided an update of Chamber activities during Public Comments but if the Committee had a specific topic for the Chamber, he could invite Mr. Huggett to present.

Council Member Wahab said Chamber members had expressed some concerns with the development along Mission Boulevard and wanted more information about future plans. She acknowledged the City's Strategic Road Map but asked what the plan was for the next two to three years and requested residents be given the opportunity to provide input.

Using Hayward hills as an example, Council Member Wahab pointed out that the strategic plan included a road map for everything except economic development. If economic development was included, then staff would have guidance and could start chipping away at set goals, she said. If a map did already exist, she at least wanted to talk more about it.

Council Member Andrews mentioned that two or three years ago CEDC members took a tour of Southland Mall. She expressed a desire to do that again post-COVID. Manager Nguyen said that was certainly something staff could arrange. Council Member Andrews said she wanted to know more about what the mall was going to do to improve the parking lot configuration and how they were planning to program the space to bring in more amenities.

Council Member Salinas mentioned that he went to the mall on Friday to go to Lids and the store was so packed with people trying to get their hats embroidered that he decided to come back later. He said other stores were busy too.

Council Member Salinas said he would be interested in a meeting dedicated to hearing from merchants from the different retail corridors about their experiences of doing business in Hayward.

Council Member Wahab said she wanted feedback from merchants across the city. She suggested staff survey merchants when they close or leave the city to find out what hardships contributed to the decision. She encouraged staff to create road maps with business partners like the Chamber of Commerce and to target certain areas. She pointed out that upper Mission had a lot of vacancies.

Council Member Andrews said she would like to hear from residents about their experiences with businesses too. She mentioned that she doesn't always receive the best customer service here and asked staff if there were resources for training. Economic Manager Nguyen said the City partnered with the Alameda County Small Business Development Center which offered soft skills training. He also mentioned that a major part of the "Get Digital" economic recovery program was to add training resources for businesses including customer service.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Economic Development Specialist Ralston reviewed the Together for Hayward event held on Saturday, July 10th. The event, which featured a ribbon cutting to reopen downtown, had 60 vendors, most of whom had only participated in pop ups. She said one of staff's goals was to grow the entrepreneurial spirit of these vendors to move from pop ups to brick-and-mortar locations with ED staff there to assist. Specialist Ralston said response to the event was overwhelming positive and participants had already asked for another.

Council Member Wahab said Staff Announcements were her favorite part of the meeting and that she enjoyed the photos from the event. She said she wanted an even bigger event for south Hayward and suggested staff enlist the Chamber's help to engage food trucks and more vendors from both Hesperian and Mission.

Council Member Salinas suggested shutting down Tennyson Road for a huge Saturday event.

Council Member Andrews agreed saying she had talked about doing that many times. She said she envisioned food trucks near highway 92 so cars could see the lights and activity as they went by. She cautioned holding an event with food on Tennyson because of all the brick-and-mortar restaurants nearby and suggested a craft fair instead. She also said she would love to see an event on the other side of Hesperian.

Council Member Wahab commented that because Hayward was so diverse and had decent weather from spring to fall there was the opportunity to hold events celebrating different cultures with food from local businesses and entertainment. She encouraged staff to start talking and planning with local partners.

Assistant City Manager Ott congratulated staff for the success of the event.

Council Member Salinas agreed noting local news channels even showed up. The vendors were clearly happy and although more people would have been good for them, considering it was one of the first events since the start of the pandemic, he said the amount that came was perfect. He suggested water bowls for all the dogs at the next event. Council Member Andrews noted Hippies Brew had recently started putting out a water bowl.

ADJOURNMENT: The meeting was adjourned at 6:21 p.m.