



City of Hayward Business Friendly Code Updates

Summary of Best Practices

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1 Introduction

The City of Hayward has initiated the Business Friendly Hayward project to streamline entitlement and permitting processes to facilitate the establishment of desirable businesses across commercial and mixed-use zoning districts and to activate vacant and underutilized properties and storefronts in the City's Downtown. This Summary of Best Practices report summarizes ordinance amendments and other initiatives taken by comparable jurisdictions throughout the region and highlights business-friendly practices and processes, including strategies to encourage pedestrian-oriented uses, streamline specific entitlement processes and temporary uses, and enhance business friendliness. This report also identifies key takeaways for implementing such programs.

1.1 Best Practices in Comparable Jurisdictions

City of Emeryville

Sidewalk Cafes and Parklets

In response to COVID-19 regulations prohibiting indoor dining, the City of Emeryville adopted modified planning regulations temporarily allowing the operation of sidewalk cafés and parklets in conjunction with street-level eating and drinking establishments, as described in an Agenda Report dated September 22, 2022.¹ Article 15 of the Emeryville's Zoning Ordinance establishes application procedures, operational standards and regulations for sidewalk cafes and parklets. In recent years, Emeryville and other cities including San Jose, Mountain View, and Walnut Creek have adopted regulations to permanently allow outdoor restaurant seating on sidewalks, parking lots, and other public spaces.²

City of Pleasanton

Parklets Permitting Process

The City of Pleasanton adopted new regulations to allow the installation of parklets on parking spaces located in the public right-of-way within specific areas of the Downtown Pleasanton. The Parklets Design Review process allows business owners to choose from a pre-approved list of standardized parklet designs and provides a streamlined, over-the-counter approval process.³ Applicants may also propose an alternative parklet design subject to additional requirements, including review for compliance with parklet design guidelines that regulate the size, location, barrier design, colors and materials, and additional operational requirements.⁴ Once a parklet has been approved by the Planning Division, applicants are required to apply for an encroachment permit with the Engineering Department. The City of Pleasanton also provides financial assistance,

¹ Emeryville Planning Commission Staff Report. <https://www.ci.emeryville.ca.us/DocumentCenter/View/14441/Item-81---Sidewalk-Cafe-and-Parklet-Regulations?bidId=>

² Emeryville Cooking Up Permanent Outdoor Dining Plans. <https://www.eastbaytimes.com/2022/05/06/emeryville-cooking-up-permanent-outdoor-dining-plans/>

³ Pleasanton Parklet standardized Plans. <https://www.cityofpleasantonca.gov/assets/our-government/community-development/permits-forms-fees/standard-parklet-design-package.pdf>

⁴ City of Pleasanton Parklet Design Guidelines. <https://www.cityofpleasantonca.gov/assets/our-government/community-development/permits-forms-fees/parklet-design-guidelines.pdf>

including reimbursement of eligible expenses relating to the construction and operation of the parklet to businesses interested in providing an outdoor shopping or dining area.⁵

Active Use Overlay

The City of Pleasanton has established an Active Use Overlay in the Downtown Specific Plan. The Specific Plan defines “active ground floor use” as a use that promotes an active pedestrian environment on the ground floor of a commercial building and attracts walk-in customers, which includes retail establishments, restaurants, bars and brew pubs, craft studios, and other uses deemed similar by the Director of Community Development. Such uses are reviewed and permitted via zoning certificate to ensure compliance with applicable zoning regulations for the proposed use. The active use overlay promotes commercial and retail uses while limiting office uses and personal services in areas designated for active ground floor uses.

City of Sacramento

Office of Nighttime Economy

The Office of Nighttime Economy was established to serve as a liaison between City departments and local businesses, residents, and other community members with the goal of facilitating a well-managed, vibrant and safe nightlife. The Office manages the City’s Limited Entertainment Permit Program, assists members of the public in resolving on-going challenges related to City events and permitting requirements, and provides resources including safety and de-escalation training. The Office of Nighttime Economy holds public events, such as the Sociable City Summit, to provide an opportunity for the City to work closely with business owners, residents, and City departments to identify strengths, challenges, and opportunities to prioritize a safe and vibrant social economy.

Limited Entertainment Permits

Sacramento’s Office of Nighttime Economy manages the Entertainment Permit Program, works with inter-departmental staff to address entertainment and nightlife-related issues, and provides training and offers resources to business owners. In April 2025, the City adopted new regulations allowing different levels of entertainment-related permits based on multiple assessments of the City’s social economy and live music scene. Such assessments identified regulatory relief as a strategy to boost nighttime activities. Limited Entertainment Permits are intended to allow secondary uses with restrictions on the hours of operation and occupancy for the use. Through the Limited Entertainment Permit process, small businesses with an occupancy of 299 persons or less, such as a coffee shop, restaurant or similar use could apply for a streamlined permit to host live music, comedy, or other shows.⁶

City of San Jose

Al Fresco Program to Convert a Sidewalk or Street Parklet⁷

The Al Fresco program allows businesses to convert adjacent sidewalks or parking spaces in the public right-of-way to outdoor dining and seating areas through a ministerial permitting process that is managed by the Public Works Department. The parklets are permitted in a wide range of

⁵ City of Pleasanton Downtown Parklet Grant Program

⁶ Sacramento City Council Approved New Entertainment Permit. <https://sacramentocityexpress.com/2024/03/27/sacramento-developing-streamlined-permits-for-small-businesses-to-host-live-entertainment/>

⁷ San Jose Al Fresco Initiative. <https://www.sjeconomy.com/why-san-jose/covid-19-guidance/sj-alfresco-initiative>

commercial and mixed-use zoning districts and are reviewed for compliance with standard and operational requirements that limit the size, design, and location of parklets, including a required minimum separation distance of 150 feet from the nearest residentially zoned property. Similarly, the City of San Jose Planning Department processes applications for the conversion of private parking lots and outdoor spaces into areas for outdoor dining and similar uses through three permit options: a Permit Adjustment, Administrative Permit, or Special Use Permit. Each permit process differs in permit review time, fees, and applicable development and operational standards. The Permit Adjustment and Administrative permit processes are reviewed ministerially and the Special Use Permit requires public notice and a Director's Hearing for approval.

City of Redwood City⁸

Downtown Precise Plan Active Ground Floor Uses and Transit Districts⁹

Redwood City's Downtown Precise Plan was first adopted in 2011 and has been amended several times to respond to changing conditions. The plan area has seen significant office and residential development. The Precise Plan created transit districts and reinforced requirements for active ground floor uses to address the excessive conversion of active retail spaces to office space. Active uses that are permitted by-right in the downtown districts include a range of retail, business and personal services, office and residential uses. Use regulations in the Redwood City Precise Plan provide permitting flexibility by allowing inactive ground floor uses (uses typically not open to the public, including offices and residential uses) in areas where active ground uses are otherwise required, along the main downtown corridors. In such cases, inactive uses are permitted through the Use Permit process, which is subject to Zoning Administrator approval.

City of Fremont

Downtown Community Plan Flexible Land Use Regulations¹⁰

The City of Fremont adopted the Downtown Community Plan and Design Guidelines to facilitate the creation of a vibrant, urban, mixed-use district within the Downtown District. The Downtown District permits distinct commercial-retail opportunities, housing, offices, civic parks and plazas, entertainment, restaurants (including sidewalk cafes and parklets), cultural art venues, an art program and consolidated City government offices. The aim of the plan is to provide flexibility in land use regulations that allow buildings to adapt to a variety of uses and respond to varying marketing conditions.

City of Mountain View

Downtown Precise Plan

The City of Mountain View is in the process of updating the City's Downtown Precise Plan. The City is focusing on reducing the number of sub-areas, as each sub-area establishes different zoning regulations., which would allow restaurants to operate regardless of available parking. The draft

⁸ We understand that the City also adopted an ordinance that allows City staff to update the zoning code as needed to address the allowance of emerging land uses. City staff compiles the amendments for City Council consideration on consent. The ordinance will be provided at a later date once located.

⁹ Redwood City Downtown Precise Plan. <https://www.redwoodcity.org/home/showpublisheddocument/10001/638591604711200000>

¹⁰ Fremont Downtown Community Plan. <https://www.fremont.gov/home/showpublisheddocument/8225/638282110624070000>

plan also includes restaurants and indoor recreation uses as permitted uses and would no longer require a conditional use permit for restaurants serving beer and wine.

City of Morgan Hill

Zoning Ordinance Update

Policy and land use changes in Morgan Hill are driven by the economic development plan, which focuses on economic development goals including allowing retail, advanced manufacturing, tourism and medical uses. The plan also permits retail uses across all commercial zones, except in industrial areas. Morgan Hill's municipal code also regulates live entertainment and allows such uses in restaurants, bars, and nightclubs through the Live Entertainment Permit.¹¹ This permit ensures that entertainment activities do not create public nuisances or necessitate excessive public safety resources.¹²

City of Union City

The Union City Zoning Ordinance permits a range of commercial and office uses that are associated with active public spaces, including business services, educational and health services, instructional uses, sidewalk cafés, and office and personal uses, that generate pedestrian traffic and attract a range of users across all zoning districts. In addition, title 18 of Union City's Zoning Ordinance establishes innovative commercial and mixed-use zoning districts that allow various permitted (and/or conditionally permitted) uses described below.¹³

Corridor Mixed-Use (CMU) and Station East Employment (SEE) Districts

The Union City Zoning Ordinance establishes mixed-use districts to allow a range of commercial, light industrial, office, recreational, and research related uses with the goal of fostering employment opportunities. The CMU district provides development standards and regulations to allow additional opportunities for residential and mixed-use development along arterial roads and corridors. In contrast, the SEE district encourages a built environment that is walkable, bikeable, and accessible by train due to proximity to the Union City Train Station. The mixed-use employment district establishes permitted uses to support a balance of "work and Play" uses, including breweries (with live amplified and non-amplified music), professional trade schools, various light manufacturing uses, professional offices including engineering and design services, media production studios, commercial cannabis and civic facilities. Most uses are allowable by right.

City of San Francisco

Vacant to Vibrant Program

The City of San Francisco Office of Economic Workforce and Development manages the Vacant to Vibrant program, in partnership with a local non-profit organization.¹⁴ The program creates opportunities for small businesses, artists, and cultural organizations to create pop-ups in vacant storefront spaces throughout Downtown. The program provides grants to small businesses and

¹¹ Live Entertainment Permit, City of Morgan Hill.

<https://www.morganhill.ca.gov/2174/Live-Entertainment-Permit>

¹² City of Morgan Hill Amusement and Entertainment Premises.

https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT5BULIGE_CH5.28AMENPRH

¹³ Union City Zoning Ordinance. <https://ecode360.com/43313269#43313269>

¹⁴ Transforming Vacant Storefronts into Vibrant Businesses. <https://www.vibrantsf.org/>

monetary resources to property owners and technical assistance for navigating the permitting process.

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1.2 Key Takeaways

As summarized above, other California Cities have implemented programs that can serve as a model for the City of Hayward. General themes are:

- Allow flexibility in permitting maker uses and brewery uses in commercial and mixed-use districts
- Permit parklets to provide outdoor seating for restaurants
- Establish a City program to provide resources to business and property owners of live entertainment uses
- Establish a permit process to allow small businesses and local organizations to host pop-ups events in areas within Downtown Hayward.
- Establish requirements for active ground floor uses to limit excessive conversion of inactive ground floor uses to office space
- Reduce the number of commercial zones
- Allow indoor recreation uses by right in a wider variety of commercial zones

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