

**CITY COUNCIL  
MEETING**

**JUNE 2, 2026**

**DOCUMENTS  
RECEIVED AFTER  
PUBLISHED AGENDA**

**Item #19**

**WS 26-014**

**Safe Streets  
Downtown Project  
(The Loop)**

**From:** [Rich Fierro](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** WS 26-014 safe streets  
**Date:** Monday, June 1, 2026 7:18:13 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Greetings Mayor and council members. I am a long-time resident of Hayward. I live in the Jackson triangle. I wanted to comment on this item for a few reasons.

One, as a resident, the decision you all eventually make will impact me on a daily basis.

Secondly, this may be our only opportunity to course correct what many believe has been a negative impact on our city for decades.

My first comment is regarding the proposed new designs. I have submitted my preferences on the website. I do want to make a point about the bike lanes and open space. I believe that these are great ideas if we have the capacity. From my perspective, at this point in time, we have more people and cars than space. I do not see how reducing travel lanes will improve congestion.

Secondly, please include Jackson Street as part of the study. From 3:00 pm until 7:00 p.m. Jackson is packed from the freeway off ramp to Foothill on a daily basis. Any comprehensive solution has to include Jackson.

Lastly, if possible, please give preference to resident concerns. There are many great and well-meaning organizations that will share ideas with the Council. However, it is residents who have to live with the results.

Thank You

**From:** [Ahmed Shorab](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Council Meeting Safe Streets Items  
**Date:** Tuesday, June 2, 2026 9:40:50 AM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Dear Mayor and Members of the City Council,

I'm a community member writing to you about Safe Streets Downtown (WS 26-014) and Hayward Phase 1 (CONS 26-223) at the upcoming Council Meeting.

I urge the following:

- Safe Streets Downtown (WS 26-014): Approve staff recommendations
- Safe Streets Downtown (WS 26-014): B Street Pedestrianization Pilot from **Foothill to Mission**, with commitment for a report within 1 year
- Safe Streets Hayward Phase 1 (CONS 26-223): Approve staff recommendations

For many years, our community has suffered from preventable injuries and deaths due to heavy prioritization of vehicle traffic. The actions above are how we go beyond words to structurally change today's dangerous reality.

Thank you for your sustained efforts to prioritize the safety of our community. Change is not easy, and we're lucky to have leaders who pursue it.

Thanks,

Ahmed Shorab

**From:** [Cheryl Kojina](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Safe Streets Council Meeting Items  
**Date:** Tuesday, June 2, 2026 1:19:03 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Dear Mayor and Members of the City Council,

I'm a Hayward resident of the Prospect Hill neighborhood writing to you about Safe Streets Downtown (WS 26-014) and Hayward Phase 1 (CONS 26-223) at the upcoming Council Meeting.

I urge the following:

- Safe Streets Downtown (WS 26-014): Approve staff recommendations
- Safe Streets Downtown (WS 26-014): B Street Pedestrianization Pilot from **Foothill to Mission**, with commitment for a report within 1 year
- Safe Streets Hayward Phase 1 (CONS 26-223): Approve staff recommendations

For many years, our community has suffered from preventable injuries and deaths due to heavy prioritization of vehicle traffic. The Loop has not been good for downtown businesses or for residents of Hayward. It is past time to finally correct the negative impacts from the Loop and make our downtown area pedestrian and shopper friendly.

Thank you,

Cheryl Kojina

Hayward, CA

**From:** [Tenrou Dolgo](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Questions From a Local Citizen  
**Date:** Tuesday, June 2, 2026 2:34:31 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Hello and Good Day. My name is Tenrou Dolgo (néé William Wiedemann II). I and my partner have been tax paying citizens of "Downtown" Hayward since May 2024. I have ten questions regarding the accuracy of the statements made on your website found at <https://www.hayward-ca.gov/your-government/city-council>

"The City Council is responsible for the legislative function of the City, such as reviewing public policies and adopting policies responsive to the community."

1. Does this include removing parking for locals who live "Downtown"?
2. How many people who live "Downtown" were consulted regarding the removal of long-term parking for "Downtown" residents? (We were neither asked nor consulted).
3. Are "Downtown", tax-paying residents not considered part of the community?

"Cultivate Vibrant Neighborhoods"

4. How does removing parking for "Downtown" residents cultivate vibrancy?

"Enhance Community Safety"

5. How does removing long-term parking for "Downtown" residents and charging us thousands of dollars to park in our own neighborhood "enhance" our safety, positively?
6. Would permanently closing specific streets to through traffic (such as B street) and building more parking garages in non-residential areas enhance community safety better?

"Champion Climate resilience & Environmental Justice"

7. How does allowing cars which spew thousands of tons of gas to pass through residential "Downtown" neighborhoods daily "Champion" "climate resilience"?
8. Would permanently closing specific streets to through traffic (such as B street, easily accomplished with an overpass for traffic which is just passing through to reach the highway and would never stop to buy anything) and building more parking garages in non-residential areas better enhance climate resilience?
9. Would adding more community gardens, solar panels, and dog parks better "Champion"

**From:** [Ray](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Re: Safe Streets Council Meeting Items  
**Date:** Tuesday, June 2, 2026 4:06:28 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

On Tue, Jun 2, 2026, 1:01 PM Ray <> wrote:

Dear Mayor and Members of the City Council,  
I'm a community member writing to you about Safe Streets Downtown (WS 26-014) and Hayward Phase 1 (CONS 26-223) at the upcoming Council Meeting.

I urge the following:

- Safe Streets Downtown (WS 26-014): Approve staff recommendations
- Safe Streets Downtown (WS 26-014): B Street Pedestrianization Pilot from Foothill to Mission, with commitment for a report within 1 year
- Safe Streets Hayward Phase 1 (CONS 26-223): Approve staff recommendations

For many years, our community has suffered from preventable injuries and deaths due to heavy prioritization of vehicle traffic. The actions above are how we go beyond words to structurally change today's dangerous reality.

We need politicians in our offices that actually make change, especially for those in their very own communities. The people are starting to demand action, their paying attention.

Thank you for your sustained efforts to prioritize the safety of our community. Change is not easy, and we're lucky to have leaders who pursue it.

Thanks,

Ray

climate resilience and environmental justice, than ticketing and towing "Downtown" residents for parking in front of their homes?

"Preserve, Protect & Produce Housing for All"

10. Was residential health and parking factored into "preserving", "protecting", and "producing housing" for "Downtown" residents, and how does keeping B street open exposing the local community to toxic smog, and removing long-term parking for "Downtown" residents, "preserve", "protect", and "produce" housing?

**From:** [Leila Assal](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Safe Streets Council Meeting Items  
**Date:** Tuesday, June 2, 2026 4:18:45 PM

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Dear Mayor and Members of the City Council,

I'm a community member writing to you about Safe Streets Downtown (WS 26-014) and Hayward Phase 1 (CONS 26-223) at the upcoming Council Meeting.

I urge the following:

- Safe Streets Downtown (WS 26-014): Approve staff recommendations
- Safe Streets Downtown (WS 26-014): B Street Pedestrianization Pilot from **Foothill to Mission**, with commitment for a report within 1 year
- Safe Streets Hayward Phase 1 (CONS 26-223): Approve staff recommendations

For many years, our community has suffered from preventable injuries and deaths due to heavy prioritization of vehicle traffic. The actions above are how we go beyond words to structurally change today's dangerous reality.

Thank you for your sustained efforts to prioritize the safety of our community. Change is not easy, and we're lucky to have leaders who pursue it.

Thanks,

Leila Assal

**From:** [Sonya](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Safe Streets Council Meeting Items  
**Date:** Tuesday, June 2, 2026 4:28:28 PM

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Dear Mayor and Members of the City Council,

I'm a community member writing to you about Safe Streets Downtown (WS 26-014) and Hayward Phase 1 (CONS 26-223) at the upcoming Council Meeting. My mom lives at Ivy Park (1200 Russell Way), and likes to walk, but feels she is taking her life in her hands to try to cross Foothill, go to the library, go to the farmer's market, or frequent downtown stores.

I urge the following:

- Safe Streets Downtown (WS 26-014): Approve staff recommendations
- Safe Streets Downtown (WS 26-014): B Street Pedestrianization Pilot from **Foothill to Mission**, with commitment for a report within 1 year
- Safe Streets Hayward Phase 1 (CONS 26-223): Approve staff recommendations

For many years, our community has suffered from preventable injuries and deaths due to heavy prioritization of vehicle traffic. The actions above are how we go beyond words to structurally change today's dangerous reality.

Thank you for your sustained efforts to prioritize the safety of our community. Change is not easy, and we're lucky to have leaders who pursue it.

Thanks

**Sonya Sukalski**

**From:** [Jeremiah Maller](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Support Safe Streets Downtown and Safe Streets Hayward Phase 1 (PUBLIC COMMENT)  
**Date:** Tuesday, June 2, 2026 4:53:51 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Dear Mayor Salinas and Members of the City Council,

I'm writing to urge strong action on Safe Streets Downtown (WS 26-014) and Safe Streets Hayward Phase 1 (CONS 26-223).

Please:

- Approve staff recommendations for Safe Streets Downtown (WS 26-014).
- Direct staff to advance a temporary B Street pedestrianization pilot from Foothill to Mission, with a report back within one year on safety, access, loading, business feedback, maintenance, and whether the pilot should be modified, expanded, or made permanent.
- Approve staff recommendations for Safe Streets Hayward Phase 1 (CONS 26-223).

Hayward's own staff report makes clear why action is urgent: the Downtown Loop has had two fatal pedestrian collisions within two weeks this year, and an average of 1.5 people are killed or seriously injured on the Loop every year.

These are preventable tragedies. Safe Streets projects are how we move beyond words and begin structurally changing a dangerous reality.

A B Street pedestrianization pilot is a practical, low-risk way to test a safer, more welcoming downtown while collecting real-world data and addressing concerns before any permanent decision.

Thank you for your continued work to make Hayward safer, more accessible, and more people-centered. Please move these projects forward.

Sincerely,  
Jeremiah Maller

**Item #22**

**LB 26-011**

**Hayward Business  
License Tax**



**DATE:** June 2, 2026

**TO:** Mayor and City Council

**FROM:** Irene Perez, Management Analyst II

**THROUGH:** City Manager

**SUBJECT:** Hayward Business License Tax: Adoption of Resolutions: (1) Establishing November 3, 2026, as the Date for an Election on a Proposed Ballot Measure Seeking Voter Approval of an Ordinance to Modernize the City of Hayward Business License Tax; (2) Requesting the Alameda County Board of Supervisors to Consolidate said Election with the Statewide General Election; (3) Establishing the Policy for Ballot Arguments for the Ballot Measure; and Finding that the Actions are Exempt from Environmental Review (LB 26-011)

## **RECOMMENDATION**

Staff identified the following minor edits to the graphics included in the staff report and Attachment V regarding Hayward Business License Tax (BLT):

- The proposed fee table included a column for alternative payroll tax. However, the proposed BLT will no longer include a payroll tax because the ordinance transitions Hayward to a gross receipts-based tax. The revision removes that column.
- The revised fee table updates the rates for utility companies to match the retail rate. The California Constitution prohibits a city from applying a business tax to a company that transmits or sells gas or electricity at a rate that is higher than the tax rate the city applies to “mercantile” and “manufacturing” classifications. Staff had already made this change in the model but neglected to update the table. The table also slightly adjusts the total revenue for utility companies.
- The revised staff report updates the caption on page 3 from BLT Revenue to BLT Rates.

Staff recommends that the Council accept this amendment to LB 26-011 and proceed with consideration of the proposed BLT modernization ballot measure and related resolutions. The edits are intended to ensure accuracy of the report and do not change the staff recommendation.

*Recommended by:* Mary Thomas, Assistant City Manager

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott". The signature is fluid and cursive, with a large initial "J" and a distinct "Ott" at the end.

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Jennifer Ott, City Manager

Attachment I Red-Lined Staff Report  
Attachment II Revised Staff Report  
Attachment III Red-Lined Attachment V  
Attachment IV Revised Attachment V



**DATE:** June 2, 2026

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT** Hayward Business License Tax: Adoption of Resolutions: (1) Establishing November 3, 2026, as the Date for an Election on a Proposed Ballot Measure Seeking Voter Approval of an Ordinance to Modernize the City of Hayward Business License Tax; (2) Requesting the Alameda County Board of Supervisors to Consolidate said Election with the Statewide General Election; (3) Establishing the Policy for Ballot Arguments for the Ballot Measure; and Finding that the Actions are Exempt from Environmental Review

## **RECOMMENDATION**

That the City Council adopts the attached resolutions (Attachments II and III) to:

1. Place a measure to modernize the City of Hayward Business License Tax Ordinance on the November 3, 2026, ballot,
2. Approve the proposed ballot question as it will appear on the ballot and the underlying ordinance to be enacted,
3. Request that the Alameda County Board of Supervisors consolidates the election for this measure with the established election on November 3, 2026,
4. Direct the City Attorney to develop an impartial analysis of the proposed measure,
5. Direct the City Clerk to conduct necessary activities related to this item,
6. Establish the policy for submitting ballot arguments,
7. Find that the actions are exempt from environmental review.

## **SUMMARY**

The City of Hayward adopted its current Business License Tax (BLT) structure on July 11, 1978. The current tax structure is primarily based on flat annual fees applied by business categories, employee counts and limited gross receipt categories. Over time, changes in the local economy and business environments have prompted consideration of whether the structure reflects today's business landscape. For example, newer industries such as data centers are not specifically captured in the City's current rate categories.

At the January 20, 2026 work session on City revenue sources, Council gave direction to staff to explore modernizing the City's BLT structure, including comparing Hayward to neighboring jurisdiction and conducting polling. On April 7, staff presented the results from public opinion

polling, business engagement efforts, and a refined Business License Tax framework. At that meeting, Council directed staff to return with the legislative actions necessary to place the ballot measure at the November 3, 2026, election. The attached resolutions (Attachments II and IV) would formally place this measure on the ballot for voter consideration.

## **FISCAL IMPACT**

Should Hayward voters approve the modernization of the Business License Tax, the City is projected to generate approximately \$16 million in total annual Business License Tax revenue. The current system generates approximately \$3.3 million in revenue from about 10,000 business license payers. If approved, this measure would generate an estimated increase of approximately \$12 million annually.

The cost of the election, including the election of two Councilmembers subject to separate report and resolution is estimated at \$500,000. This amount has been incorporated into the Proposed Operating Budget for FY 2026-27.

## **BACKGROUND**

On January 20, 2026, staff presented to City Council information about the City's general fund revenue sources, including the BLT. At that [Work Session](#), Council gave direction to staff to explore modernizing the City's BLT structure, starting with comparing Hayward to neighboring jurisdictions and conducting initial outreach to stakeholders.

At the February 28, 2026 Fiscal Sustainability Work Session, staff presented two potential proposals for Council consideration and feedback. Council expressed interest in exploring the "Match Neighbors" scenario, which aligns Hayward's tax rates more closely with surrounding jurisdictions and directed staff to conduct public opinion polling and business engagement to better inform the next phase of this effort.

Staff returned to Council on April 7 to present the results of public opinion polling and business engagement efforts, as detailed in the associated [staff report](#). At that meeting, Council expressed interest in pursuing the proposed tax framework and directed staff to return with legislative actions necessary to place the ballot measure at the November 3, 2026 ballot.

This topic was further discussed during the May 12<sup>th</sup> Budget [Work Session](#), where staff presented an overview of the City's budget, including ongoing efforts to modernize the City's BLT Tax structure. During the discussion, Council expressed interest in learning more about modernization efforts taking place in neighboring jurisdictions and directed staff to meet with labor representatives to gather additional input on the proposed BLT tax framework.

## DISCUSSION

### Proposed BLT Structure

Based on Council feedback from the April 7 Work Session, staff conducted additional outreach with neighboring jurisdictions and met with labor representatives to discuss potential refinements of the proposed progressive rate structure. Based on these discussions, staff is bringing back a refined proposal that includes the addition of a new tax rate bracket for businesses with annual gross receipts exceeding \$50 million, as well as increased rates for Data Center and Residential and Nonresidential Rental classifications. Attachment V provides a comparison between the April 7<sup>th</sup> and June 2<sup>nd</sup> proposals.

The refined proposal also reflects modernization efforts taking place in neighboring cities, such as San Leandro and Newark, which are also considering BLT modernization measures for the November 2026 ballot. Figure 1 compares the estimated tax rates generated under the proposed tax framework with neighboring jurisdictions. As shown below, the updated proposal keeps the City's generally aligned with the revenue generation of surrounding jurisdictions, while supporting long-term business retention and competitiveness locally.

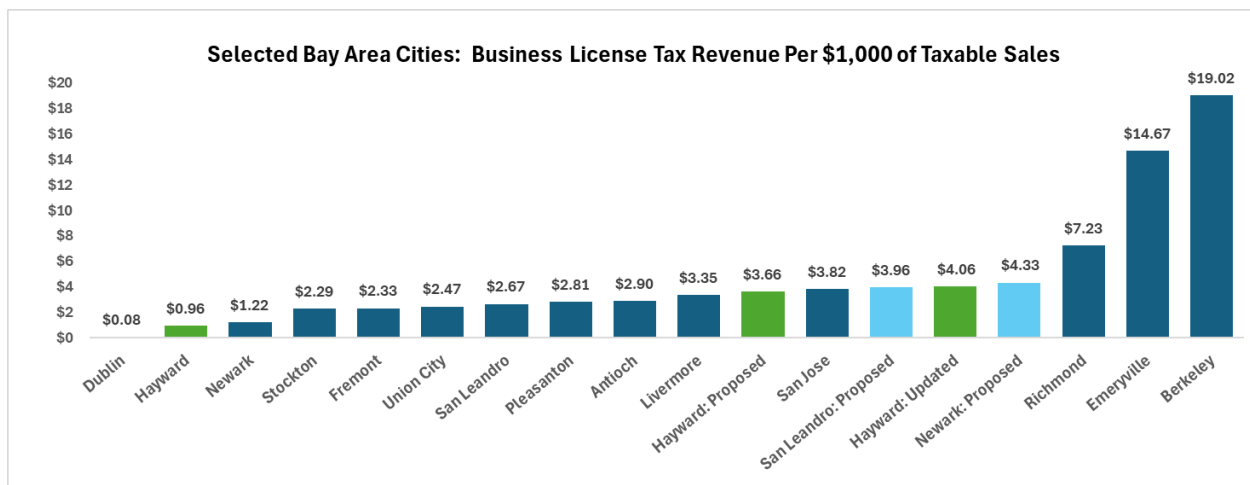


Figure 1. Estimated Business License Tax Revenue Rates per \$1,000 of Gross Receipts Across Selected Jurisdictions and Proposed Modernization Framework

Similar to the previously discussed “Match Neighbors” framework, the proposed structure transitions the City toward a gross receipts-based structure intended to better align tax obligations with business size and revenue and overall economic activity occurring within the City. This approach differs from the City's current structure, which relies largely on flat fees and limited categories, toward a more progressive framework that reflects differences in business scale and economic activity.

### Proposed Ballot Language

Based on direction from Council during our last work session, staff recommend placement of the following ballot language before Hayward voters:

<p>HAYWARD BUSINESS LICENSE TAX MODERNIZATION: Shall the measure updating the Hayward Business License Tax for the first time since 1978, to support general city services, including neighborhood police protection, firefighting, 911 response, libraries, and pothole repair, generating an additional \$12 million annually until repealed, with a minimum tax of \$60 and rates from \$.30 to \$3.75 per \$1,000 of gross receipts, with higher rates for higher-grossing businesses, as stated in the ordinance, be adopted?</p>	YES
	NO

**Proposed BLT Ordinance Amendment**

The proposed ordinance would modernize the City’s BLT for the first time since 1978 by transitioning from a system of flat annual fees and employee counts toward a more progressive gross receipts-based framework.

The proposed ordinance includes the following key elements:

***Modernized Definitions and Administrative Framework***

The ordinance updates and modernizes business activity definitions and classifications to provide clearer and more standardized categorization of business activity.

The ordinance also updates provisions related to annual license periods, payment schedules, penalties, interest, and administrative authority to support implementation of the updated structure, including provisions allowing for apportionment of gross receipts attributable to business activity occurring within the City.

***Updated Business Activity Classifications***

The ordinance establishes standardized business activity classifications (Class A through Class J) to replace the City’s structure that contained dozens of individual business categories and fee schedules. It also replaces numerous outdated business-specific categories, such as card rooms, peddlers, and various trades and occupations into broader business activity categories.

The proposed categories are:

- Retail Sales and Utility
- Wholesale Sales, Transportation, and Warehousing
- Manufacturing
- Business and Personal Services
- Professional/Semi-Professional Services
- Construction Contractor
- Hotel and Motel
- Data Center
- Miscellaneous

- Residential and Nonresidential Rental

The ordinance also includes updated definitions and classifications related to utilities, data centers, warehousing operations and other business types to better reflect modern business activity within the City.

***Transition to Gross Receipts-Based and Progressive Tax Structure***

The ordinance introduces a new gross receipts-based methodology that transitions away from the current structure that was primarily based on flat fees and employee counts.

The ordinance establishes gross receipts brackets for most business classifications using the following thresholds:

- Up to \$5 million
- \$5 million to \$10 million
- \$10 million to \$25 million
- \$25 million to \$50 million
- Over \$50 million

Other key elements of the new structure include:

- A minimum tax payment of \$60 applicable to all businesses, to ensure a baseline contribution across all business types;
- Tiered gross receipts rates ranging from \$0.30 to \$3.75 per \$1,000 of annual gross receipts, with higher rates applied to businesses with higher gross receipts;
- Authority for the Tax and License Administrator to determine apportionment of gross receipts attributable to business activity occurring within the City; and
- A definition for businesses under common ownership to ensure that related entities under common control are treated as a single economic enterprise, so the progressive rate structure applies based on the true scale of business activity within the City.

The table below provides a summary of the proposed business activity classifications and corresponding gross receipts-based tax rates included in the proposed ordinance.

TAX CATEGORY	Payers	Gross Receipts (2026 \$)*	Alt Proposal							Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
			Min tax	Alt Tax Payroll	Bracket 1	Bracket 2	Bracket 3	Bracket 4	Bracket 5	Current Law	Alt Proposal	Current Law	Alt Proposal
					\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60
Grocers	58	\$311,466,346	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$36,695	\$136,839	\$0.12	\$0.44
Automobile Sales	103	\$671,723,379	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$71,859	\$454,177	\$0.11	\$0.68
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$549,313	\$3,235,516	\$0.12	\$0.70
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.70	\$0.60	\$0.80	\$0.90	\$1.00	\$1.10	\$390,021	\$1,323,451	\$0.26	\$0.90
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.70	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$169,286	\$716,308	\$0.18	\$0.78
Professional Svcs	1,376	\$1,419,045,992	\$60	\$0.70	\$1.50	\$1.50	\$1.50	\$1.50	\$1.75	\$1,027,473	\$2,264,055	\$0.72	\$1.60
Contractors	2,107	\$700,214,941	\$60	\$0.70	\$0.50	\$0.90	\$1.15	\$1.25	\$1.50	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$1.00	\$8,282	\$9,215	\$0.29	\$0.32
Utility Companies	8	\$145,564,178	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$1,075	\$365,827	\$0.01	\$2.51
Trucking/Transportation	320	\$576,448,601	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$111,582	\$364,440	\$0.19	\$0.63
Data Centers	6	\$34,574,216	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$103,769	\$0.07	\$3.00
Miscellaneous	44	\$17,208,925	\$60	\$0.70	\$1.50	\$2.00	\$2.50	\$2.50	\$2.50	\$3,481	\$28,299	\$0.20	\$1.64
Commercial Rental Property	1,107	\$740,542,575	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$221,232	\$2,792,953	\$0.30	\$3.77
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>							<b>\$3,564,937</b>	<b>\$15,581,735</b>	<b>\$0.24</b>	<b>\$1.04</b>
			Estimated Penalties							\$95,866	\$419,016		
			<b>Total Estimated Business Tax Revenue</b>							<b>\$3,660,804</b>	<b>\$16,000,751</b>		

TAX CATEGORY	Payers	Gross Receipts (2026 \$)*	Alt Proposal							Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
			Min tax	\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +	Current Law	Alt Proposal	Current Law	Alt Proposal	
													Bracket 1
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60	
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Utility Companies	8	\$415,146,245	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$1,075	\$394,896	\$0.01	\$0.95	
Trucking/Transportation	320	\$576,448,601	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$111,582	\$364,440	\$0.19	\$0.63	
Data Centers	6	\$34,574,216	\$60	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$103,769	\$0.07	\$3.00	
Miscellaneous	44	\$17,208,925	\$60	\$1.50	\$2.00	\$2.50	\$2.50	\$2.50	\$3,481	\$28,299	\$0.20	\$1.64	
Commercial Rental Property	1,107	\$740,542,575	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$221,232	\$2,792,953	\$0.30	\$3.77	
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76	
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75	
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>							<b>\$3,564,937</b>	<b>\$15,610,804</b>	<b>\$0.24</b>	<b>\$1.04</b>
			Estimated Penalties							\$95,866	\$419,016		
			<b>Total Estimated Business Tax Revenue</b>							<b>\$3,660,804</b>	<b>\$16,029,820</b>		

### Effective Date and Implementation

If approved by voters, the ordinance would become effective following certification of the November 3, 2026 election results. The updated BLT rates would apply beginning January 1, 2027, and would be calculated using calendar year 2026 gross receipts.

### Environmental Review

The adoption of the attached Resolutions is exempt from review under the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines"). Under CEQA Guidelines section 15378(b)(4), the resolution contained in Attachment II is not a project within the meaning of CEQA because the ballot measure would create a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the city would undertake the required CEQA review for that particular project.

Adoption of the resolution contained in Attachment III to establish the policy for ballot arguments is exempt from CEQA review pursuant to CEQA Guidelines section 15378(b)(5) as an organizational or administrative activity that will not result in a direct or indirect physical change to the environment.

Furthermore, the resolutions contained in Attachment II and Attachment III are subject to the “common sense” exemption contained in section 15061(b)(3) of the CEQA Guidelines in that it can be seen with certainty that there is no possibility that adoption of the resolutions may have a significant effect on the environment.

**PUBLIC CONTACT**

Staff conducted public outreach and stakeholder engagement efforts related to the modernization measure, including public opinion polling, a business engagement survey, and meetings with local business stakeholder groups. Additional details regarding these outreach efforts are included in the April 7, 2026, Council Work Session [Staff Report](#). Additionally, the City met with labor representatives in May to discuss potential refinement of the proposed tax framework.

**NEXT STEPS**

If Council adopts the resolution placing the measure on the November 3, 2026, ballot, staff will work closely with the City Clerk and City Attorney to submit all of the required documentation to the County Registrar of Voters by the deadline. The City Attorney will also draft the impartial analysis of the measure for submittal.

Below is a schedule of other key dates related to a November 3, 2026 election:

Date	Action
August 3, 2026	Deadline to file City Attorney Impartial Analysis with City Clerk
August 7, 2026	Deadline to file with County Board of Supervisors and Alameda County Registrar of Voters the ballot measure question, ballot measure full text, and City Attorney Impartial Analysis (EC 9280-9287)
August 10, 2026 (noon, 12pm)	Last day to file direct arguments with City Clerk (EC 9282, 9286)
August 10-20, 2026	Public review period for direct arguments (EC 9295)
August 14, 2026 (noon, 12pm)	Last day to file rebuttal arguments with City Clerk (EC 9285, 9286)
August 14 -24, 2026	Public review period for rebuttal arguments (EC 9295)
August 24, 2026	Deadline to submit direct and rebuttal arguments to the Alameda County Registrar of Voters

EC = Election Code

*Prepared by:* Irene Perez, Management Analyst II  
Miriam Lens, City Clerk  
Michael Vigilia, Senior Assistant City Attorney

*Recommended by:* Mary Thomas, Assistant City Manager

Approved by:

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Jennifer Ott, City Manager



**DATE:** June 2, 2026

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT** Hayward Business License Tax: Adoption of Resolutions: (1) Establishing November 3, 2026, as the Date for an Election on a Proposed Ballot Measure Seeking Voter Approval of an Ordinance to Modernize the City of Hayward Business License Tax; (2) Requesting the Alameda County Board of Supervisors to Consolidate said Election with the Statewide General Election; (3) Establishing the Policy for Ballot Arguments for the Ballot Measure; and Finding that the Actions are Exempt from Environmental Review

**RECOMMENDATION**

That the City Council adopts the attached resolutions (Attachments II and III) to:

1. Place a measure to modernize the City of Hayward Business License Tax Ordinance on the November 3, 2026, ballot,
2. Approve the proposed ballot question as it will appear on the ballot and the underlying ordinance to be enacted,
3. Request that the Alameda County Board of Supervisors consolidates the election for this measure with the established election on November 3, 2026,
4. Direct the City Attorney to develop an impartial analysis of the proposed measure,
5. Direct the City Clerk to conduct necessary activities related to this item,
6. Establish the policy for submitting ballot arguments,
7. Find that the actions are exempt from environmental review.

**SUMMARY**

The City of Hayward adopted its current Business License Tax (BLT) structure on July 11, 1978. The current tax structure is primarily based on flat annual fees applied by business categories, employee counts and limited gross receipt categories. Over time, changes in the local economy and business environments have prompted consideration of whether the structure reflects today’s business landscape. For example, newer industries such as data centers are not specifically captured in the City’s current rate categories.

At the January 20, 2026 work session on City revenue sources, Council gave direction to staff to explore modernizing the City’s BLT structure, including comparing Hayward to neighboring jurisdiction and conducting polling. On April 7, staff presented the results from public opinion

polling, business engagement efforts, and a refined Business License Tax framework. At that meeting, Council directed staff to return with the legislative actions necessary to place the ballot measure at the November 3, 2026, election. The attached resolutions (Attachments II and IV) would formally place this measure on the ballot for voter consideration.

## **FISCAL IMPACT**

Should Hayward voters approve the modernization of the Business License Tax, the City is projected to generate approximately \$16 million in total annual Business License Tax revenue. The current system generates approximately \$3.3 million in revenue from about 10,000 business license payers. If approved, this measure would generate an estimated increase of approximately \$12 million annually.

The cost of the election, including the election of two Councilmembers subject to separate report and resolution is estimated at \$500,000. This amount has been incorporated into the Proposed Operating Budget for FY 2026-27.

## **BACKGROUND**

On January 20, 2026, staff presented to City Council information about the City's general fund revenue sources, including the BLT. At that [Work Session](#), Council gave direction to staff to explore modernizing the City's BLT structure, starting with comparing Hayward to neighboring jurisdictions and conducting initial outreach to stakeholders.

At the February 28, 2026 Fiscal Sustainability Work Session, staff presented two potential proposals for Council consideration and feedback. Council expressed interest in exploring the "Match Neighbors" scenario, which aligns Hayward's tax rates more closely with surrounding jurisdictions and directed staff to conduct public opinion polling and business engagement to better inform the next phase of this effort.

Staff returned to Council on April 7 to present the results of public opinion polling and business engagement efforts, as detailed in the associated [staff report](#). At that meeting, Council expressed interest in pursuing the proposed tax framework and directed staff to return with legislative actions necessary to place the ballot measure at the November 3, 2026 ballot.

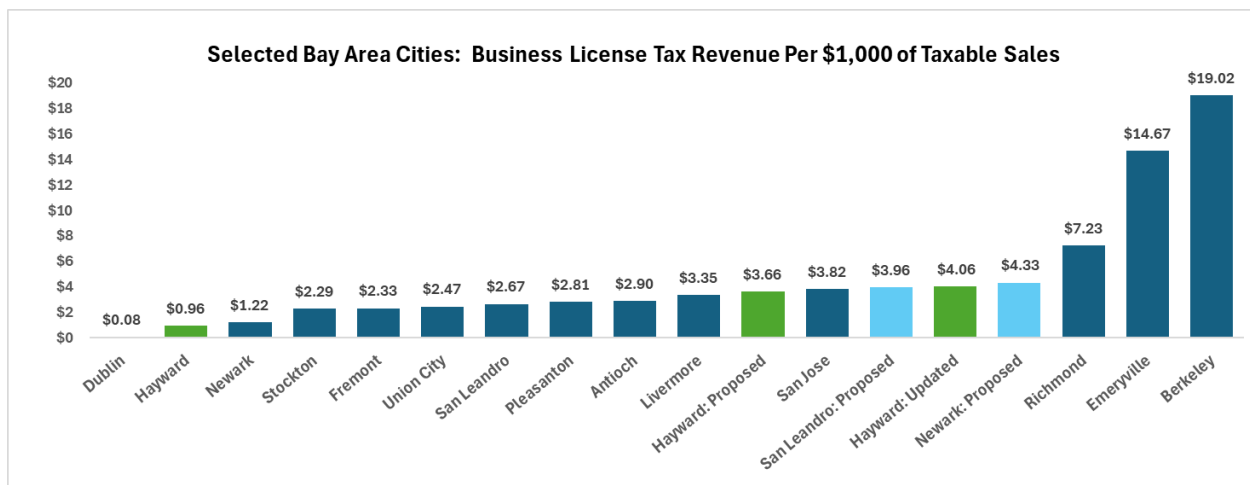
This topic was further discussed during the May 12<sup>th</sup> Budget [Work Session](#), where staff presented an overview of the City's budget, including ongoing efforts to modernize the City's BLT Tax structure. During the discussion, Council expressed interest in learning more about modernization efforts taking place in neighboring jurisdictions and directed staff to meet with labor representatives to gather additional input on the proposed BLT tax framework.

## DISCUSSION

### Proposed BLT Structure

Based on Council feedback from the April 7 Work Session, staff conducted additional outreach with neighboring jurisdictions and met with labor representatives to discuss potential refinements of the proposed progressive rate structure. Based on these discussions, staff is bringing back a refined proposal that includes the addition of a new tax rate bracket for businesses with annual gross receipts exceeding \$50 million, as well as increased rates for Data Center and Residential and Nonresidential Rental classifications. Attachment V provides a comparison between the April 7<sup>th</sup> and June 2<sup>nd</sup> proposals.

The refined proposal also reflects modernization efforts taking place in neighboring cities, such as San Leandro and Newark, which are also considering BLT modernization measures for the November 2026 ballot. Figure 1 compares the estimated tax rates generated under the proposed tax framework with neighboring jurisdictions. As shown below, the updated proposal keeps the City's generally aligned with the revenue generation of surrounding jurisdictions, while supporting long-term business retention and competitiveness locally.



*Figure 1. Estimated Business License Tax Revenue per \$1,000 of Gross Receipts Across Selected Jurisdictions and Proposed Modernization Framework*

Similar to the previously discussed “Match Neighbors” framework, the proposed structure transitions the City toward a gross receipts-based structure intended to better align tax obligations with business size and revenue and overall economic activity occurring within the City. This approach differs from the City’s current structure, which relies largely on flat fees and limited categories, toward a more progressive framework that reflects differences in business scale and economic activity.

### Proposed Ballot Language

Based on direction from Council during our last work session, staff recommend placement of the following ballot language before Hayward voters:

<p>HAYWARD BUSINESS LICENSE TAX MODERNIZATION: Shall the measure updating the Hayward Business License Tax for the first time since 1978, to support general city services, including neighborhood police protection, firefighting, 911 response, libraries, and pothole repair, generating an additional \$12 million annually until repealed, with a minimum tax of \$60 and rates from \$.30 to \$3.75 per \$1,000 of gross receipts, with higher rates for higher-grossing businesses, as stated in the ordinance, be adopted?</p>	YES
	NO

**Proposed BLT Ordinance Amendment**

The proposed ordinance would modernize the City’s BLT for the first time since 1978 by transitioning from a system of flat annual fees and employee counts toward a more progressive gross receipts-based framework.

The proposed ordinance includes the following key elements:

***Modernized Definitions and Administrative Framework***

The ordinance updates and modernizes business activity definitions and classifications to provide clearer and more standardized categorization of business activity.

The ordinance also updates provisions related to annual license periods, payment schedules, penalties, interest, and administrative authority to support implementation of the updated structure, including provisions allowing for apportionment of gross receipts attributable to business activity occurring within the City.

***Updated Business Activity Classifications***

The ordinance establishes standardized business activity classifications (Class A through Class J) to replace the City’s structure that contained dozens of individual business categories and fee schedules. It also replaces numerous outdated business-specific categories, such as card rooms, peddlers, and various trades and occupations into broader business activity categories.

The proposed categories are:

- Retail Sales and Utility
- Wholesale Sales, Transportation, and Warehousing
- Manufacturing
- Business and Personal Services
- Professional/Semi-Professional Services
- Construction Contractor
- Hotel and Motel
- Data Center
- Miscellaneous

- Residential and Nonresidential Rental

The ordinance also includes updated definitions and classifications related to utilities, data centers, warehousing operations and other business types to better reflect modern business activity within the City.

**Transition to Gross Receipts-Based and Progressive Tax Structure**

The ordinance introduces a new gross receipts-based methodology that transitions away from the current structure that was primarily based on flat fees and employee counts.

The ordinance establishes gross receipts brackets for most business classifications using the following thresholds:

- Up to \$5 million
- \$5 million to \$10 million
- \$10 million to \$25 million
- \$25 million to \$50 million
- Over \$50 million

Other key elements of the new structure include:

- A minimum tax payment of \$60 applicable to all businesses, to ensure a baseline contribution across all business types;
- Tiered gross receipts rates ranging from \$0.30 to \$3.75 per \$1,000 of annual gross receipts, with higher rates applied to businesses with higher gross receipts;
- Authority for the Tax and License Administrator to determine apportionment of gross receipts attributable to business activity occurring within the City; and
- A definition for businesses under common ownership to ensure that related entities under common control are treated as a single economic enterprise, so the progressive rate structure applies based on the true scale of business activity within the City.

The table below provides a summary of the proposed business activity classifications and corresponding gross receipts-based tax rates included in the proposed ordinance.

TAX CATEGORY	Payers	Gross Receipts (2026 \$)*	Alt Proposal						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
			Min tax	Bracket 1	Bracket 2	Bracket 3	Bracket 4	Bracket 5	Current Law	Alt Proposal	Current Law	Alt Proposal
				\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60
Grocers	58	\$311,466,346	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$36,695	\$136,839	\$0.12	\$0.44
Automobile Sales	103	\$671,723,379	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$71,859	\$454,177	\$0.11	\$0.68
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$549,313	\$3,235,516	\$0.12	\$0.70
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.60	\$0.80	\$0.90	\$1.00	\$1.10	\$390,021	\$1,323,451	\$0.26	\$0.90
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$169,286	\$716,308	\$0.18	\$0.78
Professional Svcs	1,376	\$1,419,045,992	\$60	\$1.50	\$1.50	\$1.50	\$1.50	\$1.75	\$1,027,473	\$2,264,055	\$0.72	\$1.60
Contractors	2,107	\$700,214,941	\$60	\$0.50	\$0.90	\$1.15	\$1.25	\$1.50	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.30	\$0.40	\$0.50	\$0.60	\$1.00	\$8,282	\$9,215	\$0.29	\$0.32
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Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$15,610,804</b>	<b>\$0.24</b>	<b>\$1.04</b>
			Estimated Penalties						\$95,866	\$419,016		
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### ***Effective Date and Implementation***

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### **PUBLIC CONTACT**

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### **NEXT STEPS**

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EC = Election Code

*Prepared by:* Irene Perez, Management Analyst II  
 Miriam Lens, City Clerk  
 Michael Vigilia, Senior Assistant City Attorney

*Recommended by:* Mary Thomas, Assistant City Manager

*Approved by:*




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Jennifer Ott, City Manager

			"Match Neighbors" April 7 Proposal						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
TAX CATEGORY	Payers	Gross Receipts (2026 \$)*			Bracket 1	Bracket 2	Bracket 3	Bracket 4	Current Law	New Match Neighbors	Current Law	New Match Neighbors
			Min tax	Alt Tax Payroll	\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$694,021	\$1,377,962	\$0.24	\$0.47
Grocers	58	\$311,466,346	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$36,695	\$132,638	\$0.12	\$0.43
Automobile Sales	103	\$671,723,379	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$71,859	\$346,169	\$0.11	\$0.52
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$549,313	\$3,100,484	\$0.12	\$0.67
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.70	\$0.60	\$0.80	\$0.90	\$1.00	\$390,021	\$1,299,352	\$0.26	\$0.88
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.70	\$0.50	\$1.00	\$1.25	\$1.50	\$169,286	\$704,892	\$0.18	\$0.77
Professional Svcs	1,376	\$1,419,045,992	\$60	\$0.70	\$1.50	\$1.50	\$1.50	\$1.50	\$1,027,473	\$2,246,783	\$0.72	\$1.58
Contractors	2,107	\$700,214,941	\$60	\$0.70	\$0.50	\$0.90	\$1.15	\$1.25	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.70	\$0.30	\$0.40	\$0.45	\$0.50	\$8,282	\$9,215	\$0.29	\$0.32
Utility Companies	8	\$145,564,178	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$1,075	\$365,827	\$0.01	\$2.51
Trucking/Transportation	320	\$576,448,601	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$111,582	\$364,440	\$0.19	\$0.63
Data Centers	6	\$34,574,216	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$2,359	\$86,491	\$0.07	\$2.50
Miscellaneous	44	\$17,208,925	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$3,481	\$45,296	\$0.20	\$2.63
Commercial Rental Property	1,107	\$740,542,575	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$221,232	\$2,238,437	\$0.30	\$3.02
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$86,982	\$852,077	\$0.31	\$3.01
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$0	\$464,158	\$0.00	\$3.00
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$14,034,809</b>	<b>\$0.24</b>	<b>\$0.93</b>
			Estimated Penalties						\$95,866	\$377,417		
			<b>Total Estimated Business Tax Revenue</b>						<b>\$3,660,804</b>	<b>\$14,412,226</b>		

<b>Residential Landlords:</b>	
Unit Threshold to Pay BLT	1
Revenues from CRU Units Taxed?	YES

X increase from current 3.94

			Hayward Updated Proposal 6/2						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)		
TAX CATEGORY	Payers	Gross Receipts (2026 \$)*			Bracket 1	Bracket 2	Bracket 3	Bracket 4	Bracket 5	Current Law	Alt Proposal	Current Law	Alt Proposal
			Min tax	Alt Tax Payroll	\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60
Grocers	58	\$311,466,346	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$36,695	\$136,839	\$0.12	\$0.44
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Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.70	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$169,286	\$716,308	\$0.18	\$0.78
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Contractors	2,107	\$700,214,941	\$60	\$0.70	\$0.50	\$0.90	\$1.15	\$1.25	\$1.50	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.70	\$0.30	\$0.40	\$0.60	\$0.60	\$1.00	\$8,282	\$9,215	\$0.29	\$0.32
Utility Companies	8	\$145,564,178	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$1,075	\$365,827	\$0.01	\$2.51
Trucking/Transportation	320	\$576,448,601	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$111,582	\$364,440	\$0.19	\$0.63
Data Centers	6	\$34,574,216	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$103,769	\$0.07	\$3.00
Miscellaneous	44	\$17,208,925	\$60	\$0.70	\$1.50	\$2.00	\$2.50	\$2.50	\$2.50	\$3,481	\$28,299	\$0.20	\$1.64
Commercial Rental Property	1,107	\$740,542,575	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$221,232	\$2,792,953	\$0.30	\$3.77
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$0.70	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$15,581,735</b>	<b>\$0.24</b>	<b>\$1.04</b>	
			Estimated Penalties						\$95,866	\$419,016			
			<b>Total Estimated Business Tax Revenue</b>						<b>\$3,660,804</b>	<b>\$16,000,751</b>			

<b>Residential Landlords:</b>	
Unit Threshold to Pay BLT	1
Revenues from CRU Units Taxed?	YES

X increase from current 4.37

			Hayward Updated Proposal 6/2						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)		
TAX CATEGORY	Payers	Gross Receipts (2026 \$)*			Bracket 1	Bracket 2	Bracket 3	Bracket 4	Bracket 5	Current Law	Alt Proposal	Current Law	Alt Proposal
			Min tax		\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60	
Grocers	58	\$311,466,346	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$36,695	\$136,839	\$0.12	\$0.44	
Automobile Sales	103	\$671,723,379	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$71,859	\$454,177	\$0.11	\$0.68	
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$549,313	\$3,235,516	\$0.12	\$0.70	
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.60	\$0.80	\$0.90	\$1.00	\$1.10	\$390,021	\$1,323,451	\$0.26	\$0.90	
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$169,286	\$716,308	\$0.18	\$0.78	
Professional Svcs	1,376	\$1,419,045,992	\$60	\$1.50	\$1.50	\$1.50	\$1.50	\$1.75	\$1,027,473	\$2,264,055	\$0.72	\$1.60	
Contractors	2,107	\$700,214,941	\$60	\$0.50	\$0.90	\$1.15	\$1.25	\$1.50	\$191,275	\$400,589	\$0.27	\$0.57	
Hotel/Motel	19	\$28,944,004	\$60	\$0.30	\$0.40	\$0.50	\$0.60	\$1.00	\$8,282	\$9,215	\$0.29	\$0.32	
Utility Companies	8	\$415,146,245	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$1,075	\$394,896	\$0.01	\$0.95	
Trucking/Transportation	320	\$576,448,601	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$111,582	\$364,440	\$0.19	\$0.63	
Data Centers	6	\$34,574,216	\$60	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$103,769	\$0.07	\$3.00	
Miscellaneous	44	\$17,208,925	\$60	\$1.50	\$2.00	\$2.50	\$2.50	\$2.50	\$3,481	\$28,299	\$0.20	\$1.64	
Commercial Rental Property	1,107	\$740,542,575	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$221,232	\$2,792,953	\$0.30	\$3.77	
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76	
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75	
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$15,610,804</b>	<b>\$0.24</b>	<b>\$1.04</b>	
			Estimated Penalties						\$95,866	\$419,016			
			<b>Total Estimated Business Tax Revenue</b>						<b>\$3,660,804</b>	<b>\$16,029,820</b>			

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TAX CATEGORY	Payers	Gross Receipts (2026 \$)*	"Match Neighbors" April 7 Proposal						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
			Min tax	Alt Tax Payroll	Bracket 1	Bracket 2	Bracket 3	Bracket 4	Current Law	New Match Neighbors	Current Law	New Match Neighbors
					\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$694,021	\$1,377,962	\$0.24	\$0.47
Grocers	58	\$311,466,346	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$36,695	\$132,638	\$0.12	\$0.43
Automobile Sales	103	\$671,723,379	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$71,859	\$346,169	\$0.11	\$0.52
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$549,313	\$3,100,484	\$0.12	\$0.67
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.70	\$0.60	\$0.80	\$0.90	\$1.00	\$390,021	\$1,299,352	\$0.26	\$0.88
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.70	\$0.50	\$1.00	\$1.25	\$1.50	\$169,286	\$704,892	\$0.18	\$0.77
Professional Svcs	1,376	\$1,419,045,992	\$60	\$0.70	\$1.50	\$1.50	\$1.50	\$1.50	\$1,027,473	\$2,246,783	\$0.72	\$1.58
Contractors	2,107	\$700,214,941	\$60	\$0.70	\$0.50	\$0.90	\$1.15	\$1.25	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.70	\$0.30	\$0.40	\$0.45	\$0.50	\$8,282	\$9,215	\$0.29	\$0.32
Utility Companies	8	\$145,564,178	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$1,075	\$365,827	\$0.01	\$2.51
Trucking/Transportation	320	\$576,448,601	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$0.80	\$111,582	\$364,440	\$0.19	\$0.63
Data Centers	6	\$34,574,216	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$2,359	\$86,491	\$0.07	\$2.50
Miscellaneous	44	\$17,208,925	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$3,481	\$45,296	\$0.20	\$2.63
Commercial Rental Property	1,107	\$740,542,575	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$221,232	\$2,238,437	\$0.30	\$3.02
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$86,982	\$852,077	\$0.31	\$3.01
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$0	\$464,158	\$0.00	\$3.00
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$14,034,809</b>	<b>\$0.24</b>	<b>\$0.93</b>
			Estimated Penalties						\$95,866	\$377,417		
			<b>Total Estimated Business Tax Revenue</b>						<b>\$3,660,804</b>	<b>\$14,412,226</b>		

TAX CATEGORY	Payers	Gross Receipts (2026 \$)*	Hayward Updated Proposal 6/2						Tax Revenue (2026 \$)		Average Effective Tax Rate (per \$1,000)	
			Min tax	Bracket 1	Bracket 2	Bracket 3	Bracket 4	Bracket 5	Current Law	Alt Proposal	Current Law	Alt Proposal
				\$0 mil - \$5 mil	\$5 mil - \$10 mil	\$10 mil - \$25 mil	\$25 mil - \$50 mil	\$50 mil +				
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$694,021	\$1,742,255	\$0.24	\$0.60
Grocers	58	\$311,466,346	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$36,695	\$136,839	\$0.12	\$0.44
Automobile Sales	103	\$671,723,379	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$71,859	\$454,177	\$0.11	\$0.68
Wholesale Trade/Warehouse	701	\$4,646,990,288	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$549,313	\$3,235,516	\$0.12	\$0.70
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.60	\$0.80	\$0.90	\$1.00	\$1.10	\$390,021	\$1,323,451	\$0.26	\$0.90
Business/Personal Svcs	1,537	\$920,476,690	\$60	\$0.50	\$1.00	\$1.25	\$1.50	\$1.75	\$169,286	\$716,308	\$0.18	\$0.78
Professional Svcs	1,376	\$1,419,045,992	\$60	\$1.50	\$1.50	\$1.50	\$1.50	\$1.75	\$1,027,473	\$2,264,055	\$0.72	\$1.60
Contractors	2,107	\$700,214,941	\$60	\$0.50	\$0.90	\$1.15	\$1.25	\$1.50	\$191,275	\$400,589	\$0.27	\$0.57
Hotel/Motel	19	\$28,944,004	\$60	\$0.30	\$0.40	\$0.50	\$0.60	\$1.00	\$8,282	\$9,215	\$0.29	\$0.32
Utility Companies	8	\$415,146,245	\$60	\$0.30	\$0.40	\$0.50	\$0.75	\$1.00	\$1,075	\$394,896	\$0.01	\$0.95
Trucking/Transportation	320	\$576,448,601	\$60	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$111,582	\$364,440	\$0.19	\$0.63
Data Centers	6	\$34,574,216	\$60	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$103,769	\$0.07	\$3.00
Miscellaneous	44	\$17,208,925	\$60	\$1.50	\$2.00	\$2.50	\$2.50	\$2.50	\$3,481	\$28,299	\$0.20	\$1.64
Commercial Rental Property	1,107	\$740,542,575	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$221,232	\$2,792,953	\$0.30	\$3.77
Residential Rental Property (4+ Units)	515	\$282,637,889	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$86,982	\$1,063,845	\$0.31	\$3.76
Residential Rentals (1-3 Units)	4,858	\$154,719,415	\$60	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$0	\$580,198	\$0.00	\$3.75
<b>Total</b>	<b>14,466</b>	<b>\$15,042,736,931</b>	<b>Total Estimated Base Taxes (excluding penalties)</b>						<b>\$3,564,937</b>	<b>\$15,610,804</b>	<b>\$0.24</b>	<b>\$1.04</b>
			Estimated Penalties						\$95,866	\$419,016		
			<b>Total Estimated Business Tax Revenue</b>						<b>\$3,660,804</b>	<b>\$16,029,820</b>		

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**From:** [Henry Oberman](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Item 22 proposed business tax  
**Date:** Tuesday, June 2, 2026 9:53:04 AM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

I'm writing you in regards to the proposed tax . I'm speaking on behalf of my father Joseph Oberman. He owns the apartments at . While this may seem like a minor issue to you, to us as a small business, it's one more expense that is pushing us out. We have tried to keep our rents down, but our costs continue to rise. We recently had our insurance canceled by State Farm after more than 30 years with no claims. This resulted in a 3 fold increase in our rates. Further, the cost of all the maintenance associated has increased dramatically as well. Our units are all two bedroom one and a half bath at approximately 1000 square feet. Each unit has a 500+ square foot back yard and two off street parking spots. Our current rent of \$2000 per month is well below market value. All of our tenants are long term. We have tried to keep our rents as low as possible, but are now in a cycle where we have to do maximum increases every year. Ultimately, these costs get passed on. While other businesses are not restricted to how much they can pass on, we are. Ultimately this makes housing in Hayward more expensive for everyone. At some point we need to find ways to stop the explosive cost of living in our city.