



**DATE:** April 15, 2025

**TO:** Redevelopment Successor Agency of the City of Hayward Board of Directors

**FROM:** Executive Director

**SUBJECT:** Adopt a Resolution of the City Council, Acting as the Governing Board of the Successor Agency for the Redevelopment Agency of the City of Hayward, Approving the Subordination of Loan Documents for the Façade Improvement Loan with RLW, LLC Property Located at 22401-22487 Foothill Boulevard (Richard Weinstein)

## **RECOMMENDATION**

That the Hayward Redevelopment Successor Agency Board adopts the attached resolution (Attachment I) approving the subordination of loan documents for the façade improvement loan with RLW, LLC property located at 22401-22487 Foothill Boulevard, City of Hayward, County of Alameda, State of California 94541 (APN 428-0026-008-09, 428-0026-064-01, 428-0061-032, 428-0061-033, 428-0061-034.)

## **SUMMARY**

The Board is being asked to approve a request from RLW, LLC to subordinate existing façade improvement loan documents in order to facilitate the refinancing of properties located at 22401–22487 Foothill Boulevard in Hayward. Approval of this subordination will not modify the terms of the original Loan Agreement executed in 2011 between the Successor Agency and the borrower.

This is not the first subordination; similar requests were approved in 2013 and again in 2019, when the Redevelopment Successor Agency of the City of Hayward and the Alameda County Oversight Board approved similar subordination actions to support refinancing efforts for the same properties. This action will not change the forgiveness provisions of the loan, which are set to result in full forgiveness of the principal and interest by March 9, 2026, provided there is no default.

## **BACKGROUND**

In July 2006, the Council Downtown Committee approved a Downtown Retail Attraction Loan Program in response to the number of vacant buildings in the Downtown Hayward Redevelopment Area, west of Foothill Boulevard. Subsequently, an initial budget of \$550,000 for this program was approved by the Agency Board. In October 2008, the Council Downtown Committee supported the expansion of the Retail Attraction Loan Program to include spaces

on the outer boundaries of the B Street “core”, as well as those spaces which are not necessarily vacant, but have been in marginal use.

In support of these goals on March 9, 2011 the former Redevelopment Agency executed a Retail Attraction Initiative Loan Fund Loan Agreement with RLW, LLC (the “Borrower”), to fund improvements on properties located at 22401-22487 Foothill Blvd, Hayward, CA (the properties).

On September 12, 2013, the Successor Agency Oversight Board approved a request from Richard Weinstein to subordinate the Successor Agency loans for facade improvement in order to facilitate a refinance the properties.

On June 17, 2019 the loan was subordinated to facilitate a refinance of the properties along Foothill Blvd.

## **DISCUSSION**

In 2025 the City was approached by the borrower requesting a subordination of the loans of these properties in an effort to refinance the properties. The Loan Agreement is secured by the following deeds of trust:

1. A short form deed of trust in the amount of \$300,000 recorded against the properties addressed 22401 Foothill Blvd, 22415-22423 Foothill Blvd, and 2249-22433 Foothill Blvd, Hayward CA 94541.
2. A short form deed of trust in the amount of \$100,000 recorded against the properties addressed 22349-22445 Foothill Blvd, Hayward, CA 94541.
3. A short form deed of trust in the amount of \$100,000 recorded against the properties addressed 22455-22475 Foothill Blvd, Hayward, CA 94541.
4. A short form deed of trust in the amount of \$80,000 recorded against the property addressed 22481 Foothill Blvd, Hayward, CA 94541.

The Loan Agreement, the Agency Deeds of Trust, and the Guaranty are subordinated to an existing mortgage, it is this mortgage that the borrower is seeking to refinance which requires the Successor Agency Board’s approval for an additional subordination. This subordination will not change the terms of the Loan Agreement with the Successor Agency.

Terms of the Loan Agreement also include forgiveness clauses stating that beginning on “the eleventh anniversary of the date of” the Loan Agreement “annually thereafter” the Successor Agency “shall forgive...” 20% “of original Principal Amount until the fifteenth anniversary of the date of” the Loan Agreement “at which point the principal amount and all accrued interest shall be forgiven in its entirety.” March 9, 2026 will mark the fifteenth

anniversary of the loan at which time, assuming no default event takes place, the loan shall be forgiven in its entirety.

### **ECONOMIC IMPACT**

There is no measurable Economic Impact associated with this action, as the façade improvements and associated improvements associated with these funds have all been previously completed.

### **FISCAL IMPACT**

There is no measurable Fiscal Impact associated with this action, as the loans were all funded in 2011, all payments will remain the same and no additional Successor Agency resources are being committed.

### **NEXT STEPS**

Following approval of the subordination by the Redevelopment Successor Agency of the City of Hayward staff will submit this to the County Oversight Board for their consideration.

*Prepared and Recommended by:*

Dustin Claussen, Assistant City Manager  
Vadim Sidelnikov, Assistant City Attorney

Approved by:



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Dr. Ana M. Alvarez, Executive Director