

# Council Economic Development Committee



May 4, 2020



Approval of Minutes from March 2, 2020  
Regular Meeting



# **238 Corridor Lands Development Update**

**May 4, 2020—Council Economic Development Committee**  
Jennifer Ott, Deputy City Manager

# COVID-19 Crisis Impact on Real Estate Market

- **Overall** - Substantial market and financing uncertainty for all types of development for foreseeable near-term future (3-12 months) with Bay Area well-positioned to recover quickly due to tech industry, lower transmission rates, and decades of pent up demand
- **Housing and Land Development** - Investors and developers still likely to be interested in longer-term large-scale land development projects that focus primarily on housing in solid housing markets, such as Hayward
- **Retail** - Retail market hardest hit with significant structural reduction in existing inventory and little demand for new development

# COVID-19 Crisis Impact on Real Estate Market (*cont.*)

- **Hotels** - Hotel market most likely will rebound slowly once SIP is lifted, but no new development over next 12-36 months
- **Office** - Office market likely to rebound more quickly with potential for new demand in East Bay satellite locations to minimize employee use of transit; remote work and social distancing trends may have contradictory impacts on demand for office
- **Industrial** – Overall likely to recover quickly with e-commerce and food related industries staying relatively strong; likely to increase demand for warehouse uses to protect against future supply chain disruptions

# Background

**1960's**

- Caltrans purchase land for Route 238 Bypass Project

**2016**

- City & Caltrans Purchase and Sale Agreement

**2022**

- End of Agreement with Caltrans

**2009**

- Project Abandoned
- Joint City/County Land Use Study

**2017**

- Begin Master Development Planning Process



# Route 238 Corridor Lands Parcel Groups



# Project Goals



**Facilitate the cohesive, productive use of land driven by community vision**



**Eliminate neighborhood blight**



**Negotiate real estate transactions at no net cost to the city**



**Fund new community benefits**



# Parcel Group 1 & 10: SOHAY

## Description

- 472 mixed-income multi-family rental and for-sale townhomes plus, with 20,000 sf ground-retail
- 20 of a total 72 rental units will below-market rates affordable to low-income households
- 28 of 400 for-sale homes will be sold at below-market prices to affordable to moderate-income buyers

## Updates

- The project is under construction and being occupied
- Started marketing first 6 affordable for-sale units

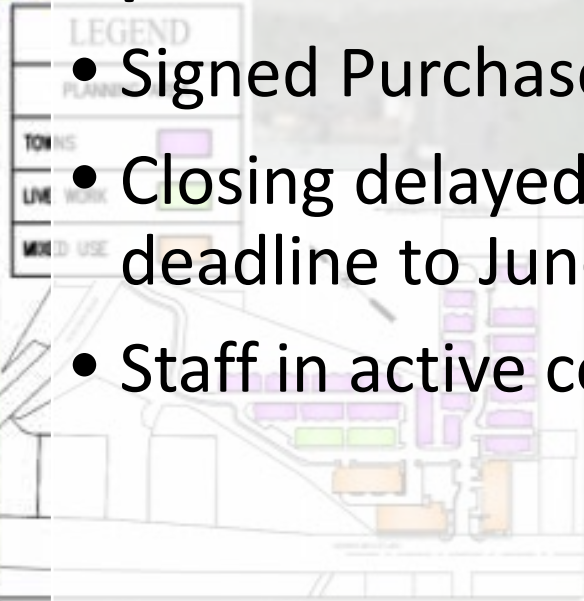
# Parcel Group 2: True Life Companies

## Description

- True Life Companies proposal contemplates the development of a mixed-use 190 unit development, including 10% affordable units and 10,000 square feet near South Hayward BART

## Updates

- Signed Purchase and Sale Agreement in November 2019
- Closing delayed due to COVID-related financing issues - extended closing deadline to June 30
- Staff in active communication with developer





# Parcel Group 3: Eden Housing & Pacific Companies

## Description

- COH entered into ENRA with Eden Housing and Pacific Companies in July 2018
- Eden Housing and Pacific Companies proposal contemplates the development of affordable housing, with 180 affordable units and a charter school within the boundaries of Parcel Group 3

## Updates

- Delays associated with site exploration revealing fault traces and areas prone to landslides
- Buildable area of Parcel Group 3 greatly reduced from 14 acres to 2-3 acres
- Development Team re-envisioned site plan to still provide the same number of units originally planned, condensed on a much smaller parcel



# Contextual Map







## Next Steps

- City Council Meeting on 5/5 for Amendment to Extend ENRA to June 2021
- Anticipated entitlements package to be submitted to City in May 2020
- DDA executed by June 2021

## Parcel Group 3: Eden Housing & Pacific Companies



# Site Map









# Parcel Group 4: Open Space

## Description

- Parcel Group 4 consists of 80 acres and is zoned as open space with potential for 2-3 large lot residential units

## Updates

- Short-term lease for commercial tenant to move from Parcel Group 3 to Parcel Group 4, which enables La Vista Park development to move forward
- Long-term disposition strategy for Parcel Group 4 has not been determined; to be finalized as part of DDA negotiations with Eden Housing and Pacific Companies



# Parcel Group 5: Bunker Hill

## Description

- COH entered into ENRA with Trumark in December 2019
- Trumark proposes to develop up to 74 single-family homes, with 8 Accessory Dwelling Units designated as affordable, with range of lot sizes between 5,000-20,000 SF with 10,000 square feet average consistent with City approved Master Development Plan

## Updates

- Per ENRA, Trumark elected to proceed on project
- Trumark actively engaged in due diligence, including scheduling of geotechnical studies and finalizing entitlement package for submittal to City
- Staff is engaged in conversation with CSUEB regarding acquisition of roadway access area to Carlos Bee Blvd.





## Parcel Group 5: Bunker Hill *continued*

### Next Steps

- Commencing DDA negotiations
- Refining Affordable Housing Plan
- Finalizing agreement with CSUEB



# Parcel Group 6: Quarry

## Description

- 30 acres of vacant land in the Hayward Hills, with opportunity for up to 500 townhomes/multi-family units and 500 student beds

## Updates

- Request for Proposals (RFP) from developers closed on January 30: received two proposals
- RFP included numerous project requirements
- COVID-19 crisis creates greater economic uncertainty

## Next Steps

- Closed session on 5/5 to determine next steps



# Parcel Group 7: Carlos Bee/Mission

## Description

- COH entered into an ENRA with Subaru developer in October 2018
- Project includes the development of a Subaru auto dealership
- Generation of significant sales tax revenue

## Updates

- Close to finalizing entitlements and DDA negotiations

## Next Steps

- Council hearing on DDA in June/July 2020



# Parcel Group 8: Grove Way

**Total Acreage = 19.79 ac**  
Carlos Bee Park Expansion = 9.17 ac  
Upper County Segment = 5.16 ac  
Western City Segment = 3.10 ac  
Bridge/Grove Segment = 2.36 ac

## Description

- 19.8 Acres, spans City and County, with 11 existing tenancies

## Updates

- Development approach to divide property into primarily three development areas for market rate and affordable housing and open space

## Next Steps

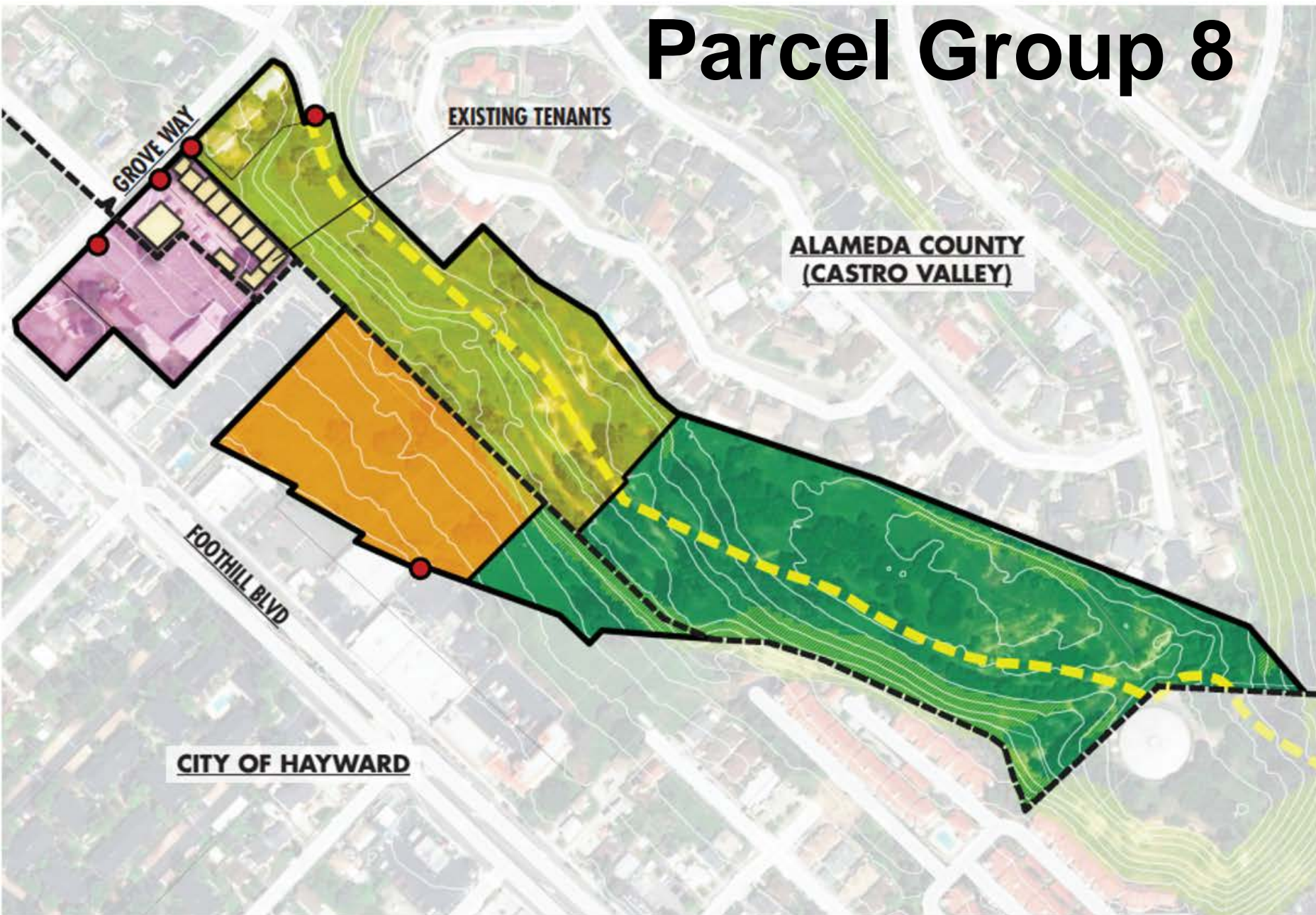
- Closed Session on May 19 to determine next steps

### LEGEND

- Parcel Boundary
- City/County Boundary
- Hayward Foothill Trail
- Steep Slope Area (>40%)
- Carlos Bee Park Expansion Segment
- Upper County Segment
- Western City Segment
- Bridge/Grove Segment
- Site Access Points



# Parcel Group 8



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# Parcel Group 9: Apple/Oak

## Description

- 4.26 Acres, with 1.59 Acres in unincorporated Alameda County

## Project Updates

- Previous Council direction to pursue hotel development
- Obtaining zoning text amendment (ZA) for City portion of land to reclassify to General Commercial (GC) for more land use flexibility
- GC, which allows for retail uses and lodging uses such as a hotel, would not preclude residential projects

## Next Steps

- City Council Closed Session: May 5
- Planning Commission Meeting on ZA: May 14
- City Council Meeting on ZA: Spring/Summer 2020





# Parcel Group 9: Rezoning on Hayward portion of the parcel

Existing Zone



Proposed Rezone





# 238 Parcel Group Schedule

Parcel Group	Status	Entity	Est. Disposition Timeline	Est. Unit Counts	Affordable Unit Counts
<b>1 &amp; 10</b>	Sold / Under Construction	William Lyon Homes (SOHAY)	August 2018	472 (approved)	48 (approved)
<b>2</b>	Executed Purchase & Sale Agreement	The True Life Companies (Mirza)	June 2020	189 (approved)	20 (approved)
<b>3</b>	Under Negotiation	Eden Housing and The Pacific Companies	Winter 2021	180	180
<b>4</b>	Under Negotiation	Eden Housing and The Pacific Companies	Winter 2021	3	0
<b>5</b>	Under Negotiation	Trumark Properties, LLC	Fall 2020	74	8



# 238 Parcel Group Schedule *continued*

Parcel Group	Status	Entity	Est. Disposition Timeline	Est. Unit Counts	Affordable Unit Counts
6	RFP Process	City of Hayward	Winter 2021	1,000	30-100
7	Under Negotiation	One Subaru of Hayward	June 2020	0	0
8	Master Development Planning	City of Hayward	Winter 2021	0	0
9	Master Development Planning	City of Hayward	Winter 2021	0	0
All Parcel Group Total				<b>1,918</b>	<b>356</b>

**This timeline is impacted by COVID-19 and additional conversations with Caltrans are anticipated**





Questions and Comments?



# Small Business Assistance Grant Programs

May 4, 2020





# Program Updates

- Small Business Assistance Grants
  - CDBG Funds
- COVID-19 Small Business Resiliency Grants
  - General Funds



# Small Business Assistance Grants 2018/2019

- Program established in 2018 with an allocation of \$75,000 from the CDBG Program
  - Issued \$5,000 grants to businesses meeting criteria
    - 5 or fewer employees
    - Owned by minority or female
    - Located in the downtown or Tennyson corridor
- 15 businesses received assistance



# Small Business Assistance Grant Recipients 2018/2019



**Las Bonitas Fashions**



**Books on B**



**Healthy Spine  
Chiropractic**



**El Pastorcito Taqueria**



# Small Business Assistance Grants 2019/2020

- Program continued in 2019 with an allocation of \$75,000 from the CDBG Program
  - Issued \$5,000 grants to businesses meeting criteria
    - 5 or fewer employees
    - Business can be located anywhere in Hayward
    - Staff focused outreach efforts on small commercial center located on the outer reaches of the City.
- 14 businesses received assistance



# Small Business Assistance Grant Recipients 2019/2020



Sivan's Café / A Heart Schezuan



Kraski's / Arrive Nutrition



Amy's Café and Grill

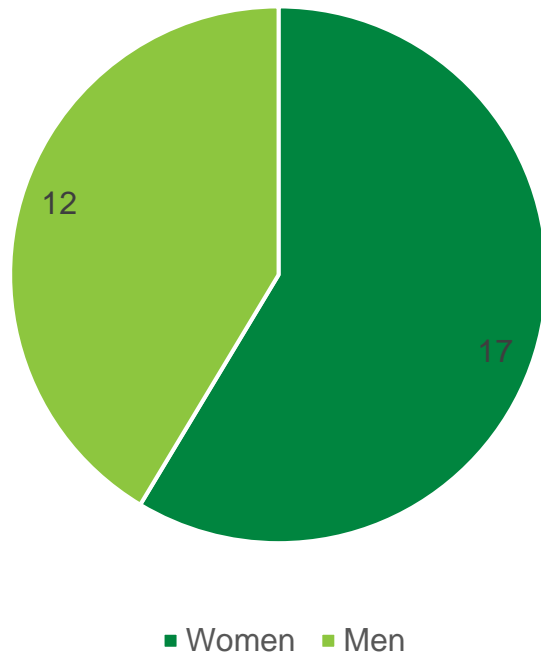
# Small Business Assistance Grant Program Stats

- The 29 businesses that received funding employ 92 employees, many Hayward residents
- The grant recipients spent over \$39,000 of the grant dollars at other local Hayward businesses for supplies and services.
  - Several spent their entire \$5,000 at other Hayward businesses and stated “They always try and support local businesses first when making purchases.”

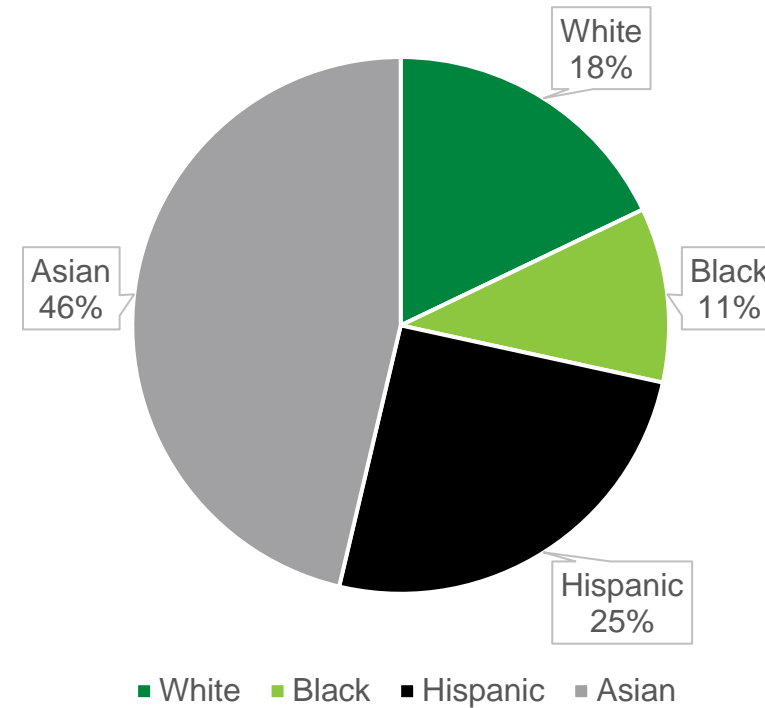


# Small Business Assistance Grant Recipient Demographics

Women Owned Businesses



Race



# Small Business Assistance Grants 2020/2021

- Seeking to continue the program in 2020/2021 with an allocation of \$50,000 from the CDBG Program
  - Issued \$5,000 grants to businesses meeting criteria:
    - 5 or fewer employees
    - Business can be located anywhere in Hayward



# COVID-19 Business Resiliency Grant 2020

- Program utilized \$380,000 in General Fund dollars reallocated from other Economic Development programs
  - Issued \$5,000 grants to businesses meeting criteria
    - 25 or fewer employees, or independent restaurants regardless of employee count
    - Business can be located anywhere in Hayward
    - Demonstrated economic injury due to crisis
- 76 businesses received assistance

# COVID-19 Business Resiliency Grant 2020

While initially designed as a first-come first-serve program, due to the overwhelming demand for the program, additional screening criteria were implemented to ensure funds were equitably distributed to a wide range of business types.

- Must have a valid Hayward City Business License
- No non-profits
- No auto dealers, vice businesses
- No property management or landlord related businesses
- No businesses that have received CDBG micro-enterprise grant during the past funding cycle



# COVID-19 Business Resiliency Grant 2020

- Over 700 applications were received in the first day that the application was available (11 hours)
- The first 700 applications reported over \$43,000,000 in economic injury
- Over 1,600 applications were received in the first week.

# COVID-19 Business Resiliency Grant 2020

- Prioritization given to those businesses that:
  - Demonstrated significant economic injury
  - Brick and mortar locations
  - Geographically distributed around the city
  - Industry Distribution
  - Met equity and inclusion goals



For more information, visit



[www.Hayward.org](http://www.Hayward.org)



[www.VisitHaywardCA.com](http://www.VisitHaywardCA.com) | [www.Hayward-CA.gov](http://www.Hayward-CA.gov)





# Resiliency Grantee Highlights

- 20 different industry types are represented by the businesses that received grants including:
  - 3 bakeries, 8 Manufacturers, 27 Restaurants, 1 Grocery, 13 Retailers, 4 Cafes, 6 Barbershops/Beauty Salons, and 3 Entertainment uses
- The 76 grantees employ 649 people
- Some grantees responded with efforts to support the community:
  - Parkers Crazy Cookies, a commercial bakery, donated over 500 cookies to Hayward shelter
  - Yogurtland donated N95 masks to Hayward Fire

# Next Steps

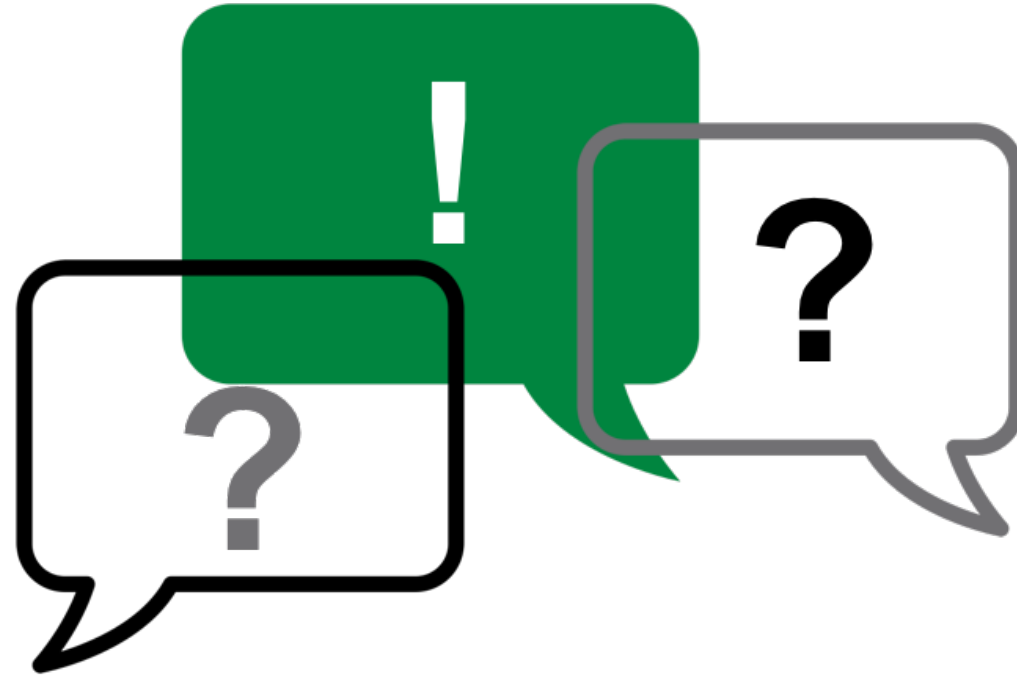
- Those that did not receive grants received multiple emails from staff providing additional resources where support dollars for small businesses are available, including State, Federal and private programs
- On April 28th, City Council approved \$50,000 Community Relief Fund disbursement the Hayward Rotary Foundation to fund an additional 8 grants



# Next Steps

- All unfunded applicants will be notified via email, which will include listings of other potential business assistance resources
- Complete list of grantees will be posted on the City website
- Staff will conduct follow-up survey and interviews with grantees to collect data to report back on economic impact

# Questions





## Future Meeting Topics

## Committee Member/Staff Announcements



Adjournment