INTRODUCTION

LWC
Kathryn Slama, Senior Associate
Jennifer Daugherty, AICP, Senior Associate

MJB Consulting
Michael J. Berne, President

Opticos Design, Inc.
Arti Harchekar, AICP, Associate
AGENDA

1 Project Context
2 Background
3 Findings
4 Strategies to Consider
5 Discussion
6 Summary of Workshop #1 Findings
WHAT IS THE PROJECT?

- New Downtown Specific Plan
- ACTC grant-funded project
- Complete by June 2018
Kickoff & Research
• What is Downtown like today?

Vision & Alternatives
• What do we want Downtown to become?

Draft Specific Plan & Code
• Strategies to achieve the vision

Review Specific Plan & Code
• Evaluate and prioritize

Adoption
Task Force Meetings

• December 12, 2016 – Project Overview, Approach, Outreach
• January 23, 2017 – Community Form & Character Analysis
• February 16, 2017 – Market Analysis & Pre-Charrette
• May 15, 2017 – Preferred Alternative
• June 5, 2017 – Draft Specific Plan Table of Contents

*6 additional meetings dates and topics TBD
PROJECT CONTEXT – RELEVANT DOCUMENTS

• Downtown Design Plan and Core Area Plan (1992)
• City of Hayward Design Guidelines (1993)
• Retail Site Assessment (2009)
• Envision Downtown Hayward (2012)
• Mission Blvd Specific Plan and Form Based Code (2014)
• 2040 General Plan (2014)
• Economic Development Strategic Plan (2014-2018)
PROJECT CONTEXT – PRIORITY DEVELOPMENT AREAS

Plan Bay Area Priority Development Areas (PDAs)

- PDA Transit Town Center
- PDA City Center
  - Hayward BART Station
  - Caltrian Line
  - BART Line
  - Hayward City Boundary

Data Source: ABAG, 2016; LWC, 2016
PROJECT CONTEXT - OUTREACH FEEDBACK

Key Issues Identified from Stakeholder Interviews:

- Vacancies & underutilized parcels
- Traffic – too much, too fast
- Lack of diversity in businesses
- Weakness in catering to the younger demographic
### BACKGROUND - DEMOGRAPHICS

#### Age Distribution

<table>
<thead>
<tr>
<th>Age</th>
<th>Hayward Downtown</th>
<th>City of Hayward</th>
<th>County of Alameda</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>24%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>20-34</td>
<td>24%</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>35-64</td>
<td>40%</td>
<td>38%</td>
<td>41%</td>
</tr>
<tr>
<td>65+</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Median Age**

- Hayward Downtown: 34.3
- City of Hayward: 33.6
- County of Alameda: 36.6

Source: US Census Data, 2014 American Community Survey
**BACKGROUND - DEMOGRAPHICS**

**Average Household Size**

<table>
<thead>
<tr>
<th>Year</th>
<th>City of Hayward</th>
<th>County of Alameda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>2.75</td>
<td>2.59</td>
</tr>
<tr>
<td>1995</td>
<td>2.91</td>
<td>2.62</td>
</tr>
<tr>
<td>2000</td>
<td>3.08</td>
<td>2.71</td>
</tr>
<tr>
<td>2005</td>
<td>3.06</td>
<td>2.68</td>
</tr>
<tr>
<td>2010</td>
<td>3.12</td>
<td>2.70</td>
</tr>
<tr>
<td>2015</td>
<td>3.24</td>
<td>2.80</td>
</tr>
</tbody>
</table>

**Source:** US Census Data, 2014 American Community Survey
### Background - Demographics

#### Population Distribution by Race

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Downtown Hayward</th>
<th>City of Hayward</th>
<th>Alameda County</th>
</tr>
</thead>
<tbody>
<tr>
<td>White Alone</td>
<td>36%</td>
<td>34%</td>
<td>42%</td>
</tr>
<tr>
<td>Black Alone</td>
<td>17%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>American Indian Alone</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>19%</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>Pacific Islander Alone</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Some Other Race Alone</td>
<td>19%</td>
<td>21%</td>
<td>11%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td>Hispanic Origin</td>
<td>36%</td>
<td>41%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Diversity Index</strong></td>
<td><strong>90%</strong></td>
<td><strong>91%</strong></td>
<td><strong>83%</strong></td>
</tr>
</tbody>
</table>

Source: US Census Data, 2014 American Community Survey
### Household Income Distribution

<table>
<thead>
<tr>
<th>Income</th>
<th>Downtown Hayward</th>
<th>City of Hayward</th>
<th>Alameda County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>23%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>$25,000 to $49,000</td>
<td>24%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>17%</td>
<td>19%</td>
<td>15%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>$100,000</td>
<td>23%</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Median</td>
<td>$53,566</td>
<td>$63,587</td>
<td>$73,722</td>
</tr>
</tbody>
</table>

Source: US Census Data, 2014 American Community Survey
## BACKGROUND - CRIME

### Crime Comparison

<table>
<thead>
<tr>
<th>Income</th>
<th>Downtown Hayward</th>
<th>City of Hayward</th>
<th>Alameda County</th>
<th>State of CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violent Crimes</td>
<td>13.56</td>
<td>7.41</td>
<td>7.48</td>
<td>4.23</td>
</tr>
<tr>
<td>Property Crimes</td>
<td>60.65</td>
<td>30.87</td>
<td>22.34</td>
<td>27.59</td>
</tr>
</tbody>
</table>

Source: City of Hayward; United States Department of Justice, Federal Bureau of Investigation, 2012; Economic and Planning Systems, Inc.
## BACKGROUND - EDUCATION

### City Education Levels, Location Quotient

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Population by Education Level, Hayward (only pop. 25+)</th>
<th>% of Total Population, Hayward (pop. 25+)</th>
<th>Population by Education Level, Alameda County</th>
<th>% of Total Population, Alameda County</th>
<th>Share of County</th>
<th>LQ (County)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th Grade</td>
<td>11,513</td>
<td>11.7%</td>
<td>77,889</td>
<td>7.3%</td>
<td>14.8%</td>
<td>1.60</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>25,290</td>
<td>25.7%</td>
<td>201,658</td>
<td>18.9%</td>
<td>12.5%</td>
<td>1.36</td>
</tr>
<tr>
<td>Associate's Degree</td>
<td>7,085</td>
<td>7.2%</td>
<td>71,487</td>
<td>6.7%</td>
<td>9.9%</td>
<td>1.07</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>17,614</td>
<td>17.9%</td>
<td>262,476</td>
<td>24.6%</td>
<td>6.7%</td>
<td>0.73</td>
</tr>
<tr>
<td>Graduate or Professional's Degree</td>
<td>6,200</td>
<td>6.3%</td>
<td>186,721</td>
<td>17.5%</td>
<td>3.3%</td>
<td>0.36</td>
</tr>
</tbody>
</table>

Source: US Census Data, 2014 American Community Survey
BACKGROUND - EMPLOYMENT

Jobs Housing Balance – City of Hayward

<table>
<thead>
<tr>
<th>City</th>
<th>Jobs:Housing Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hayward</td>
<td>1.46</td>
</tr>
<tr>
<td>San Jose</td>
<td>1.48</td>
</tr>
<tr>
<td>Fremont</td>
<td>1.45</td>
</tr>
<tr>
<td>Livermore</td>
<td>1.43</td>
</tr>
<tr>
<td>Pleasanton</td>
<td>1.34</td>
</tr>
<tr>
<td>Oakland</td>
<td>1.18</td>
</tr>
</tbody>
</table>

The Jobs:Housing ratio measures the relationship between where people work and where they live.

Source: California Department of Finance, U.S. Census American Community Survey 2014, LWC.
BACKGROUND - EMPLOYMENT
# BACKGROUND - EMPLOYMENT

## Employment by Industry, Location Quotient (1/2)

The table below shows the employment by industry in Hayward, along with the number of jobs in the respective industries in the County of Alameda, and the location quotient (LQ) for each industry. The LQ is a measure of the relative concentration of an industry in a particular location compared to the state or region as a whole.

### City of Hayward Employment by Industry, 2014

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Jobs, Hayward</th>
<th>% of Total Jobs, Hayward</th>
<th>Number of Jobs, County of Alameda</th>
<th>% of Total Jobs, County of Alameda</th>
<th>LQ (County)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Natural Resources Jobs</td>
<td>412</td>
<td>0.6%</td>
<td>2,933</td>
<td>0.4%</td>
<td>1.50</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation, and accommodation, and food services</td>
<td>7,161</td>
<td>10.2%</td>
<td>67,563</td>
<td>9.0%</td>
<td>1.13</td>
</tr>
<tr>
<td>Construction</td>
<td>4,607</td>
<td>6.6%</td>
<td>37,828</td>
<td>5.0%</td>
<td>1.30</td>
</tr>
<tr>
<td>Educational services, and health care and social assistance</td>
<td>13,345</td>
<td>19.0%</td>
<td>169,199</td>
<td>22.6%</td>
<td>0.84</td>
</tr>
<tr>
<td>Finance and insurance, and real estate and rental and leasing</td>
<td>3,630</td>
<td>5.2%</td>
<td>45,812</td>
<td>6.1%</td>
<td>0.84</td>
</tr>
<tr>
<td>Information</td>
<td>1,538</td>
<td>2.2%</td>
<td>22,656</td>
<td>3.0%</td>
<td>0.72</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8,156</td>
<td>11.6%</td>
<td>79,593</td>
<td>10.6%</td>
<td>1.09</td>
</tr>
</tbody>
</table>

Source: US Census Data, 2014 American Community Survey

*Continued on next slide*
## Employment by Industry, Location Quotient (2/2)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Jobs, Hayward</th>
<th>% of Total Jobs, Hayward</th>
<th>Number of Jobs, County of Alameda</th>
<th>% of Total Jobs, County of Alameda</th>
<th>Share of County</th>
<th>LQ (County)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other services, except public administration</td>
<td>4,000</td>
<td>5.7%</td>
<td>38,731</td>
<td>5.2%</td>
<td>10.3%</td>
<td>1.10</td>
</tr>
<tr>
<td>Professional, scientific, and management, and administrative and waste management services</td>
<td>8,432</td>
<td>12.0%</td>
<td>125,361</td>
<td>16.7%</td>
<td>6.7%</td>
<td>0.72</td>
</tr>
<tr>
<td>Public administration</td>
<td>2,461</td>
<td>3.5%</td>
<td>27,250</td>
<td>3.6%</td>
<td>9.0%</td>
<td>0.96</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>8,440</td>
<td>12.0%</td>
<td>74,951</td>
<td>10.0%</td>
<td>11.3%</td>
<td>1.20</td>
</tr>
<tr>
<td>Transportation and warehousing, and utilities</td>
<td>5,206</td>
<td>7.4%</td>
<td>36,705</td>
<td>4.9%</td>
<td>14.2%</td>
<td>1.51</td>
</tr>
<tr>
<td>Wholesale</td>
<td>2,934</td>
<td>4.2%</td>
<td>21,204</td>
<td>2.8%</td>
<td>13.8%</td>
<td>1.48</td>
</tr>
<tr>
<td><strong>Total Employed Population, 16 years and over</strong></td>
<td><strong>70,322</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>749,786</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>9.4%</strong></td>
<td><strong>1.00</strong></td>
</tr>
</tbody>
</table>

Source: US Census Data, 2014 American Community Survey
## BACKGROUND – GROWTH PROJECTIONS

### ABAG PROJECTIONS – Downtown Hayward

<table>
<thead>
<tr>
<th>ABAG Priority Development Area Projections Downtown Hayward</th>
<th>2010</th>
<th>2040</th>
<th>Difference</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Households</strong></td>
<td>4,380</td>
<td>9,500</td>
<td>5,120</td>
<td>117%</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>7,570</td>
<td>8,490</td>
<td>920</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Source: Plan Bay Area 2040 Final Preferred Land Use Scenario*
BACKGROUND – PIPELINE PROJECTS

LINCOLN LANDING

- 476 units
- 80,500sf commercial
- 53,600sf group open space
- Surface and structured parking (1,151 spaces)
- 6 stories; 84.5ft max
- Amenities – pools, fitness center, etc.
BACKGROUND – PIPELINE PROJECTS

MAPLE & MAIN

- 240 apartments
- 48 units affordable (20%)
- Ground floor retail (5,571sf) and leasing office (1,580sf)
- 6 level parking structure and surface parking (504 spaces)
- 5 stories; 58.4ft
- Amenities – courtyards, rooftop terrace, fitness center
- Existing medical office improved
BACKGROUND – PIPELINE PROJECTS

LIBRARY & COMMUNITY LEARNING CENTER

- Flexible, collaborative learning environment
- 58,000sf
- 3 stories; 53-61ft max
- Civic plaza and arboretum
- Parking garage improvements (solar panels, bike parking, etc.)
- C Street improvements (trees, special paving, storm drain, etc.)
FINDINGS - RESIDENTIAL
FINDINGS – CURRENT DEMAND

City Residential Median Sales Price Change

RESIDENTIAL FINDINGS – CURRENT DEMAND

Downtown Residential Median Sales Price/SF (January 2017)

Median Listing Price Downtown:
- Single Family $540,000 (1)
- Condos $520,000

1. Only one SF home listed on 1/16/17

Median Sales Price Citywide:
- Single Family $547,778
- Condos $407,956
## FINDINGS – CURRENT DEMAND

### City & Downtown Residential Tenure

<table>
<thead>
<tr>
<th>Residential Tenure</th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Downtown Hayward</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner-Occupied</td>
<td>26.4%</td>
<td>30.7%</td>
<td>29.1%</td>
</tr>
<tr>
<td>Renter-Occupied</td>
<td>72.4%</td>
<td>64.5%</td>
<td>68.7%</td>
</tr>
<tr>
<td>Vacant</td>
<td>1.2%</td>
<td>4.8%</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>City of Hayward</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner-Occupied</td>
<td>52.7%</td>
<td>49.6%</td>
<td>48.3%</td>
</tr>
<tr>
<td>Renter-Occupied</td>
<td>44.8%</td>
<td>44.4%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Vacant</td>
<td>2.5%</td>
<td>6.1%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

*Source: ESRI Business Analyst Online; Economic and Planning Systems, Inc.*
RESIDENTIAL FINDINGS – CURRENT DEMAND

Downtown Average Rent/SF (January 2017)

- Average Rent Downtown: $2.90/sf

- Average Rent Citywide: $2.01/sf

- Maple & Main Development Project Rent Range:
  - ~$3.99/sf for studio
  - ~$2.83/sf for three bedroom
FINDINGS – CURRENT DEMAND

Downtown Jobs Housing Balance

<table>
<thead>
<tr>
<th>City/Area</th>
<th>Jobs</th>
<th>Occupied Households</th>
<th>Jobs: Housing Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Hayward</td>
<td>7,570</td>
<td>4,170*</td>
<td>1.82</td>
</tr>
<tr>
<td>City of Hayward</td>
<td>70,322</td>
<td>48,285</td>
<td>1.46</td>
</tr>
</tbody>
</table>

* Downtown household vacancy rate of 4.8% applied, as reported by Economic and Planning Systems, Inc.

Source: California Department of Finance, U.S. Census American Community Survey 2014, LWC; Plan Bay Area Final Preferred Land Use Scenario, Dyett & Bhatia, and LWC.
RESIDENTIAL FINDINGS – FUTURE DEMAND

High Demand for Residential Development

Overview
- Prices increasing, low vacancies
- Bay Area housing market
- Trend moving back to downtowns
- Transit accessible
- Walkable design increases demand
- Improve jobs:housing balance
- CSUEB expects 5,500 Hayward campus students above existing capacity by 2040 (expected to be accommodated on campus)

Future Demand/Needed Capacity
- Approximately 4,404 units needed
  - Accounts for pipeline projects:
    - Lincoln Landing - 476 units
    - Maple & Main - 240 units
- Approximately 2,642,400 – 5,284,800sf
  - Unit size range 600sf - 1,200sf
FINDINGS – OFFICE
OFFICE FINDINGS – CURRENT DEMAND

Downtown Office Vacancy (% Total)

- Average Office Vacancy Rate for the East Bay is 8% as of Q3 2016 (Source: CoStar)

<table>
<thead>
<tr>
<th>Office Vacancy - Downtown Hayward (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Availability</strong></td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Vacancy Rate*</td>
</tr>
<tr>
<td>Vacant SF*</td>
</tr>
<tr>
<td>Availability Rate</td>
</tr>
<tr>
<td>Available SF</td>
</tr>
<tr>
<td>Sublet SF</td>
</tr>
<tr>
<td>Months on Market</td>
</tr>
</tbody>
</table>

* With former Mervyn’s HQ (336,000 SF) and City Center Centennial Tower (144,991 SF), total vacant square footage in Downtown Hayward drops from 565,780 SF to **84,789 SF**, reducing the Vacancy Rate to **14.99%**.
OFFICE FINDINGS – CURRENT DEMAND

Downtown Office Gross Asking Rent per SF

<table>
<thead>
<tr>
<th>Gross Asking Rent Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.00</td>
</tr>
<tr>
<td>$1.80</td>
</tr>
<tr>
<td>$1.60</td>
</tr>
<tr>
<td>$1.40</td>
</tr>
<tr>
<td>$1.20</td>
</tr>
</tbody>
</table>

Office Vacancy - Downtown Hayward (2016)

<table>
<thead>
<tr>
<th>Availability</th>
<th>Survey</th>
<th>5-Year Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Rent Per SF</td>
<td>$1.38</td>
<td>$1.70</td>
</tr>
<tr>
<td>Sale Price Per SF</td>
<td>$115</td>
<td>$118</td>
</tr>
<tr>
<td>Asking Price Per SF</td>
<td>$177</td>
<td>$156</td>
</tr>
</tbody>
</table>

Source: Transwestern

- Average Asking Rent for Oakland-East Bay is $2.96, Q3 2016 (Source: JLL)
OFFICE FINDINGS – FUTURE DEMAND

Increasing Demand for Office Space

Overview

• Vacancy rates decreasing
• Bay Area office market
• Trend moving back to downtowns
• Transportation access/transit connectivity
• Fiber optic conduit required with new projects in Downtown
• Hayward missing central cluster of office and commercial space; Downtown can fill void
• Industrial – advance manufacturing/industries expected in Industrial Pkwy loop/areas (outside of Downtown)
• CSUEB projects space needs of 528,761sf at Hayward campus by 2040 (expect to accommodate on campus)

Future Demand/Needed Capacity

• **Assume 874 non-retail jobs**
  • Professional/finance
  • Health/education/recreation services
  • Other
• **Approximately 174,800 sf**
  • Office space - 200sf/employee
FINDINGS – RETAIL
FINDINGS – RETAIL DEMAND

Downtown Retail

• Two discrete markets to analyze
  • Consumers seeking goods and services from retailers
    • Demographics / psychographics
      • In-migration trends
      • Shopping habits
    • Non-residential demand generators
      • Existing anchors and draws
    • Psychological barriers
FINDINGS – RETAIL DEMAND

Downtown Retail

• Two discrete markets to analyze
  • Retailers seeking space from property owners
    • Rents and terms, "TI" allowances
    • Risk mitigation (e.g. co-tenancies, ownership)
    • Intangibles (e.g. perceptions, momentum)
FINDINGS – RETAIL DEMAND

Downtown Retail

• Not evaluated in a vacuum but vis-a-vis its competitors
  • Where else might the consumer shop (dine, recreate, etc.)?
  • What other alternatives is the retailer considering?
FINDINGS – RETAIL DEMAND

Consumer Market

- Existing competition
  - Mission Boulevard
  - Southland Mall
  - Hesperian Boulevard
  - Bayfair Center
  - Union Landing
  - Castro Valley Boulevard
  - Dublin / Pleasanton
    - Stoneridge Shopping Center
FINDINGS – RETAIL DEMAND

Consumer Market

- Resulting "trade area" boundaries
  - Skew to the east and northeast
    - Psychological barriers?
FINDINGS – RETAIL DEMAND

Consumer Market

- Demographic highlights (2016, ESRI)
  - Non-Hispanic whites = overwhelming minority
    - 24% Latino
      - Primarily Mexican
    - 21% Asian
      - Chinese, Filipino
    - Heavier concentration than citywide
  - 10% black
FINDINGS – RETAIL DEMAND

Consumer Market

• Demographic highlights (2016, ESRI)
  • Socioeconomic diversity ($75,300 MHI)
    • 33% low-income (below $50K)
    • 29% middle-income ($50K to $100K)
    • 38% upper-income ($100K+)
      • 14,500 households
      • 26,100 people with B.A. or higher
      • 21,400 workers in managerial or professional jobs
FINDINGS – RETAIL DEMAND

Consumer Market

• In-migration trends
  • Median home value (2016, ESRI): $581,500
  • Rising housing prices moving south (from Oakland)...
    • Five "hottest" Bay Area neighborhoods for home appreciation are all in **East Oakland** (Zillow, January 2017)
FINDINGS – RETAIL DEMAND

Consumer Market

• Shopping habits
  • Growing market share of online channel
  • Downtown settings somewhat less vulnerable
    • Driven by food, beverage and entertainment
      • Lost retail primacy long ago...
    • Offer a multi-dimensional experience
FINDINGS – RETAIL DEMAND

Consumer Market

• Psychographics
  • Lifestyles, sensibilities and aspirations of consumer populations
  • Qualitative, rather than quantitative
FINDINGS – RETAIL DEMAND

Consumer Market

• Psychographics
  • Ethnically/socioeconomically-diverse young families and single parents
    • Immigrant Strivers; American Dream, Made Good; Single-Parent Strivers; Paycheck To Paycheck
  • Affluent empty-nesters
    • Comfortably Domestic; Hill People
  • Young professionals
    • Techies; Neo-Hipster Trendoids
FINDINGS – RETAIL DEMAND

Consumer Market

• Non-residential demand generators
  
  • Students
   
   • Cal State University East Bay (CSUEB): 11,500 students
     
     • 1,300 live on campus, remainder commutes
     
     • Roughly 95% have cars
     
     • Shuttle service to/from B Street, BART
   
   • Chabot College (community college): 14,300 students
     
     • 4,500 full-time
FINDINGS – RETAIL DEMAND

Consumer Market

• Non-residential demand generators
  • Workers
    • Specific Plan Area: 7,192 non-retail jobs
    • Trade Area: 19,358 non-retail jobs
      • Health services (3,760)
      • Education and libraries (2,545)
FINDINGS – RETAIL DEMAND

Consumer Market

- Non-residential demand generators
  - Traffic Counts
    - 50,000+ cars per day on Foothill Boulevard (current)
    - Pass-by visibility -- versus local traffic
FINDINGS – RETAIL DEMAND

Consumer Market

• Longevity = Proxy for Demand
  • Chef's China Bistro (2005)
  • Kokyo Sushi Buffet (2010)
  • 2525 Vintage & Modern Resale Clothing (2012)
  • Vintage Alley (2011)
  • Doc's Wine Shop (2012)
  • Neumanali (2003)
FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
  - *Existing* foot traffic
    - ... at what time of day/week?
  - Pass-by automobile traffic
    - ... at what speed?
  - Presence of adjacent parking
    - ... in front or behind?
FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
  - Hinges on *perceptions* of safety
    - Female perspective, at night
FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
  - Most desirable locations
    - Auto
      - Foothill Boulevard or on the Loop
      - Visibly adjacent parking
      - Anchor store or use
FINDINGS – RETAIL DEMAND

Tenant Market

• Site planning considerations
  • Most desirable locations
    • Pedestrian
      • B Street, with visibility to Foothill/Loop
      • Anchor store or use
      • Continuously active retail fabric
        • Nearby parking (with travel path perceived as safe)
      • Correlated with periods of peak foot traffic
FINDINGS – RETAIL DEMAND

Tenant Market

• Occupancy costs (rent plus pass-thru expenses)
  • Must be proportionate to gross sales
    • 10% rule-of-thumb
  • Average Asking Rent: $1.33 per sq ft (not including expenses)
    • Higher for most desirable locations
      • Estimated $2.00 to $3.00 per sq ft at Cinema Place
      • North of $3.00 per sq ft at Lincoln's Landing
    • $1.33 per sq ft sustainable only with gross sales in the low $200's per sq ft
      • Restaurants in the low to mid $300's per sq ft
FINDINGS – RETAIL DEMAND

Tenant Market

• Occupancy costs (rent plus pass-thru expenses)
  • Could vary based on concessions
    • Tenant-improvement allowances
  • Essential for early-stage entrepreneurs
    • Especially restaurateurs
FINDINGS – RETAIL DEMAND

Tenant Market

• Building conditions
  • Large floor-plates
  • Older structures
    • Many in need of code-compliance upgrades
      • Not justified by market rents, likely ROI
FINDINGS – RETAIL DEMAND

Tenant Market

- Existing co-tenancies
  - Helps to mitigate perceived risk
    - Larger anchor stores
    - "Bell-weather" brands
    - Successful independents
FINDINGS – RETAIL DEMAND

Tenant Market

• Recent commitments
  • Demonstrates momentum and trajectory
    • "Changes the conversation"
      • "I chose Hayward as our next opportunity because it’s a jewel on the rise. The diverse population, the development and value for your investment is strong, and I feel like we fit perfectly into the new renaissance culture that’s emerging here. We hope to play a significant role in the vanguard of the Hayward culinary scene resurgence."

    - Michael LeBlanc, owner of Pican in Uptown Oakland and now, Bijou in Downtown Hayward
FINDINGS – RETAIL DEMAND

Tenant Market

• Level of risk tolerance
  • Leaders (willing to pioneer unproven markets)
    • Typically independents and smaller chain-lets
  • Followers (wait for proof of market's viability)
    • Most larger brands
    • Continuum of risk
FINDINGS – RETAIL DEMAND

Tenant Market

- Downtown Hayward's current "evolutionary" stage
  - Leaders, in sit-down food/beverage and comparison goods (select boutiques)
  - Followers, in convenience-oriented categories
    - Given existing supermarket anchors
FINDINGS – RETAIL DEMAND

Tenant Market

• Current evolutionary stage = relatively weak leverage
  • Occupancy costs (developer/landlord)
    • Leaders need and/or demand low rents, T.I. allowances
      • "Second-generation" spaces (already code-compliant), versus new construction
STRATEGIES TO CONSIDER
STRATEGIES TO CONSIDER

GENERAL

- Streamline permitting
  - Create predictable development standards
  - Allow desired uses by-right
  - Process permits efficiently and provide options to expedite
STRATEGIES TO CONSIDER

GENERAL

• Incentivize desired development
  • Reduce parking burden where appropriate
• Create a standardized development agreement
• Reduce fees temporarily
STRATEGIES TO CONSIDER

GENERAL

• Improve informational/promotional resources
  – Online tools for available/opportunity sites
STRATEGIES TO CONSIDER

GENERAL

• Leverage existing vacant or underutilized City properties and parking lots for public-private partnerships

• Conduct activities to create “shovel-ready” opportunity sites

• Address infrastructure deficiencies

• Promote the use of historic preservation tax credits for rehabilitation
STRATEGIES TO CONSIDER

GENERAL

- Continue with Economic Development efforts
- Expand efforts to improve security
- Daylight and accentuate San Lorenzo Creek
- Improve pedestrian and bicycle safety
  - Allow opportunities for tactical urbanism (parklets, wayfinding signs, etc.)
**STRATEGIES TO CONSIDER**

**RESIDENTIAL**

- Support new housing units to meet future demand and reduce commercial vacancies
- Allow varied housing types and affordability levels to support diverse community
  - Live/work spaces
  - Mixed-use
  - Accommodate strategies that lower housing costs (e.g., affordable-by-design strategies, unbundle cost of parking from housing cost, etc.)
STRATEGIES TO CONSIDER

RESIDENTIAL

• Continue to apply inclusionary housing requirements (per 2040 General Plan Housing Element, December 2014)

• Support affordable housing assistance by the Housing Authority of the County of Alameda (HACA)

• Leverage partnerships to create affordable housing (Eden Housing)
OFFICE

• Existing buildings - provide flexibility in nonconforming standards to allow for retrofits and reconfigurations to support new uses

• Reduce parking burden where appropriate

• Assist with efforts to fill vacant office space
  – Explore co-tenanting for large spaces
  – Evaluate potential opportunities with East Bay colleges
STRATEGIES TO CONSIDER

OFFICE

• Allow artisan manufacturing
  – Support the arts community
• Provide/enhance small business assistance
  – Façade improvements program
  – Training
  – Creation/retention of jobs
• Accepting the limits of physical and design upgrades
  • Solving the "Loop" and improving connectivity – necessary but not sufficient
  • Positioning and tenanting strategy must...
    • Accurately reflect market realities
    • Have secured private sector buy-in
• Taking an incremental approach with retail mix
  • Starting with what *already* works
    • Ensuring continuity with and not straying too far from the current reality
  • Aiming for that *next* evolutionary stage
    • Not necessarily the ultimate aspiration, but stages cannot easily be "leapfrogged"
STRATEGIES TO CONSIDER

RETAIL

• Getting to that *next* evolutionary stage...
  • Arrival of new anchors and bell-weatheres
  • Growth in momentum and "buzz"
• Calibrating demands to balance-of-power
  • Limited wiggle room with developers/tenants
    • This is *not* San Francisco...
  • Will bolt for less risky alternatives
    • ... or not even try in the first place
STRAATEGIES TO CONSIDER

RETAIL

• Sending the right message to the private sector
  • "If [Lincoln Landing] is not approved, that would be the 'kiss of death' for Downtown Hayward as far as the development and leasing communities were concerned."

  - Prominent East Bay retail leasing professional
• Correlating zoning and design standards with retail viability
  • Allow some concessions to the automobile on high-ADT corridors
    • Larger signage, perpendicular to the street
    • Visibly adjacent parking
  • Encourage higher densities to support retail "leaders"
    • Increases consumer demand
    • Lessens importance of ground-floor rents in pro-forma
STRATEGIES TO CONSIDER

RETAIL

• Allowing the free market to dictate retail mix
  • Not sure how it will want to evolve
  • Consumer preferences are varied and subjective
  • Interventions can be based on unrepresentative voices, ultimately backfire

• Biggest fears often misplaced
  • Downtown Hayward large enough to accommodate independents, chain-lets and larger chains
STRATEGIES TO CONSIDER

RETAIL

• Capitalize on Economic Development’s role and strengths
  • Retail development community moves at a different pace
  • Inability to keep up can badly damage City's image

ECONOMIC DEVELOPMENT DIVISION

If you’re starting a new business or expanding one, finding a “business friendly” location isn’t enough. For Long-term success, you don’t need a friend; you need a partner.

Economic development is more than just infrastructure, jobs, and buildings. It is a pathway to self-sufficient neighborhoods and a fiscally sound City. As the economy continues to improve in the coming years, it is essential that Hayward is recognized for its assets and is known as a welcoming and effective city in which to conduct business, where staff understands and respects the critical business elements of time and certainty.
STRATEGIES TO CONSIDER

RETAIL

- Nurturing relationships within the retail development community
  - Tenant-rep brokers as the "gatekeepers"
    - Can spread positive (or negative) word-of-mouth
STRATEGIES TO CONSIDER

RETAIL

• Nurturing relationships within the retail development community
  • Reframing the opportunity in Downtown Hayward
    • Downtown-wide retail leasing piece
    • Presentations at local industry conferences
    • Media attention in local industry publications
    • Newsletter for local industry professionals
STRATEGIES TO CONSIDER

RETAIL

• Nurturing relationships within the retail development community
  • Reframing the opportunity in Downtown Hayward
    • Crafting a narrative about upward trajectory
    • Promoting arrival of bell-weather
    • Demonstrating commitment of public sector
STRATEGIES TO CONSIDER

RETAIL

• Strengthening relationships with the most responsive landlords ("leaders")
  • Developing new incentives for necessary building upgrades
    • Code-compliance (accessibility, seismic, etc.)
    • Tenant-improvement dollars
  • (Most) others will either follow or sell...
STRATEGIES TO CONSIDER

RETAIL

• Embracing Downtown's "core" customer
  • Young (i.e. in 20's or 30's)
  • Ethnically diverse
  • Lower and middle-income
  • Kids in tow or at home
Most interesting (and least vulnerable) business districts offer a diversified retail mix

- Can draw on several different markets
- Notion of Downtown as a "crossroads" for the entire city
• Giving *proportional* attention to Downtown's secondary markets
  • Students (high school, university, community college)
    • Similar demographically in many respects to core customer
  • Affluent empty-nesters
    • Largely latent at present
  • Young, upwardly-mobile professionals
    • Still modest but likely to grow in number
  • Local employers
    • Interested in entertainment venues for company events
STRATEGIES TO CONSIDER

RETAIL

• Elevating Downtown's retail mix (to the *next* stage)
  • Value-priced natural foods anchor
  • "Fast casual" eateries
STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the next stage)
  - Oakland and Peninsula-based restaurateurs and chefs
  - Destination food concepts with a "cult" following
STRATEGIES TO CONSIDER

RETAIL

• Elevating Downtown's retail mix (to the next stage)
  • Diversified entertainment offerings

will you escape in time?

Escape This Live is an interactive adventure game designed for up to 10 people. You and your team will use skill and wit to escape from a locked room. Your team will be given a series of clues to find the key that unlocks the door to freedom. You have 60 minutes to escape, DO YOU HAVE WHAT IT TAKES?

ENTER AT YOUR OWN RISK
STRATEGIES TO CONSIDER

RETAIL

• Elevating Downtown's retail mix (to the next stage)
  • Niche-driven boutiques
STRATEGIES TO CONSIDER

RETAIL

• Elevating Downtown's retail mix (to the next stage) – common elements
  • Contemporary decor and signage
  • Accessible pricing and product
  • Unpretentious and relaxed vibe
Elevating Downtown's retail mix (to the next stage) – most likely tenants

- Smaller chain-lets and entrepreneurs
  - Often undercapitalized
- Successful track record in analogous districts
  - Drawn to the narrative of upward trajectory
- Undeterred by rough edges and inconveniences of Downtown settings
  - Homelessness/vagrancy
STRATEGIES TO CONSIDER

RETAIL

• Elevating Downtown's retail mix (to the next stage) – most likely tenants
  • Harnessing Hayward's entrepreneurial energy
    • Role of Popuhood
    • CSUEB's strength in entrepreneurialism
STRATEGIES TO CONSIDER

RETAIL

- Remembering that retention is just as important as attraction
  - Either your best ambassadors or your black eye...
DISCUSSION
SUMMARY OF WORKSHOP #1
FINDINGS
Overview

Public Workshop #1, January 25, 2017

- 53+ attendees
- Brief Presentation
- Breakout groups
- Mapping exercise
- Identity, mobility, public realm, amenities
STREET NETWORK IMPROVEMENTS

• Traffic calming
• Ped and bicyclist safety
• Intersection safety/function
• Pedestrian crossings
• Two-way streets
BICYCLE FOCUS

• Prioritize bike network
• Improve bicyclist safety
• Bike Parking
• Wayfinding and Signage

1069 B Street between Foothill Boulevard and Main Street
IMPROVING THE PEDESTRIAN/VISITOR EXPERIENCE

• Lighting
• Vacant lots, parking lots, abandon buildings
• Vibrant public realm
• Entryways/access
• Building frontage and façade improvements
• Street trees and furniture

City Center Drive Between Maple Court and 2nd Street
OPPORTUNITIES

• Infill, vacant and underutilized parcels
• Greenway
• San Lorenzo Creek
• Existing amenities
• Connections to and within Downtown
SENSE OF PLACE

• Rich cultural history
• Sense of place and arrival
• Downtown as a destination
• Wayfinding signs
• Gateways

Alley on B Street, between Foothill and Main
“NOW WHAT?”

- Integrate characteristics of great places
- Think big and think small
- Unlock new opportunities
- Develop a preferred alternative
## NEXT STEPS

### Design Charrette- Masonic Lodge 1074 B St, Hayward, CA

<table>
<thead>
<tr>
<th>Charrette Event</th>
<th>Tuesday 3/14</th>
<th>Wednesday 3/15</th>
<th>Thursday 3/16</th>
<th>Friday 3/17</th>
<th>Saturday 3/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morning</td>
<td></td>
<td><strong>Open Studio</strong></td>
<td><strong>Focused Presentations</strong></td>
<td></td>
<td>Closing Presentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>See the Consultant Team In Action</td>
<td>Consultant Team Present on Transportation, Economics, and Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunch</td>
<td></td>
<td></td>
<td><strong>Open Studio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>See the Consultant Team In Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>(Exact times may vary each day)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Afternoon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evening</td>
<td><strong>Opening Presentation</strong></td>
<td><strong>Evening Pin-Up</strong></td>
<td>Review and Provide Input on Preliminary Designs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(Exact times may vary each day)*
### NEXT STEPS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Charrette</td>
<td>March 14 – 18, 2017</td>
</tr>
<tr>
<td>Task Force Meeting #4- Preferred Alternative</td>
<td>May 15, 2017</td>
</tr>
<tr>
<td>Planning Commission/City Council Study Session- Preferred Alternative</td>
<td>May 16, 2017</td>
</tr>
<tr>
<td>Task Force Meeting #5- Draft Specific Plan Table of Contents</td>
<td>June 5, 2017</td>
</tr>
</tbody>
</table>
Thank you.

https://www.hayward-ca.gov/your-government/boards-commissions/downtown-specific-plan-task-force