The Hayward Area Planning Association proposes

Bayview Village

A new kind of neighborhood
Funds needed for market research

- The Bayview Village project described below needs market research to estimate an absorption rate.
- Conventional research and comparables don’t work because Bayview is so different.
- Bayview separates parking from the units which are served by walkways.
- Bayview provides ample alternative mobility for its target markets.
A new kind of market research

- Travel diaries by members of target markets
- Analysis of the diaries with an expert on alternative mobility
- Focus groups to discuss the project
Suburbia has its costs

- Detached single family housing on large lots is inherently expensive economically and environmentally
- Costs are necessarily higher for building and for car infrastructure, reducing affordability
- The system is not sustainable due to greenhouse gases, pollution, water consumption, and resource use
- Loss of farmland reduces land for food
Suburbia has costly transportation

- Overuse of cars makes us fat, lazy, unhealthy
- Auto accidents maim us and kill us
- Cars work poorly in congestion and when there is a lack of parking
- Cars are expensive in time and money to buy, use, insure, maintain, repair, operate, use bridges, pay to park, accidents
Suburbia is a car dependent monoculture lacking flexibility in travel modes

Strip commercial and parking lots are really ugly and increase temperatures on hot days

Suburbs often lack neighborliness, community amenities and social interaction

Loss of nature and biodiversity diminishes the human spirit
Urban Systems

- Urban systems are a combination of land use, transportation, and how we pay for them.
- Neighborhood systems are a kind of urban system which looks at smaller residential areas, walking distances, household transportation, and the costs of housing, utilities, and transportation combined.
- Neighborhood systems include local household-serving businesses and transit.
Sustainable neighborhood systems

- A sustainable neighborhood has energy-efficient land use and housing, more walking and transit, and reduced dependency on cars.
- Sustainable transportation has prices reflecting the real costs of fossil fuels.
- A sustainable neighborhood is efficient in land use and water use and has low pollution.
- The market generally does not offer sustainable housing in walkable neighborhoods.
Bayview Village achieves

- Affordability
- Sustainability
- Mobility
- Health, safety, security
- Appealing design
- Community
Affordability

- all units under 110% of HUD median income
- Phased land improvements and building construction
- reduced paved area, lower cost of paving, no parking structures
- decreased cost of land per unit
- Four square building foundations
- Modular designs
Sustainability

- Use of sustainably harvested lumber and new kinds of green building materials
- Storm water retention and on-site, water conserving fixtures, grey water, and native plants to minimize water use, sewage, and storm runoff
- Tight, insulated buildings, solar energy, and efficient appliances and lighting for net zero
- Reduced use of cars, less fossil energy use, less pollution
Mobility

- Provide many alternatives to personal cars:
  - Village Bus: fast, frequent, free
  - Short walking distances
  - Taxi/shared ride vouchers for health care and guaranteed ride home from BART
  - Car Share, Car Rental, taxis, shared ride
  - Village Association Village Van
  - HOA electrocart for freight

- Limited on-site, unbundled parking; lower cost off-site parking
Health, safety, security

- Short walks to Village Center
- Parks and walking trails
- Fitness Center
- Cleaner air, less noise
- Safety: no car traffic
- Security:
  - Defensible space; CCTV
  - HOA managers on site
  - Social networking
Appealing design

- Walkways with wide setbacks between buildings
- Trees and other landscaping in parks and along walkways
- Facades with interesting design, color and ornamentation
- A variety of views along walkways mixing straight and curved, short and long, and views into parks
Community

- Informal interaction along walkways, in parks, in Village Center around the square, café, mail boxes, ATM, and service counter, and on Village Bus
- Village Center with facilities for meetings, fitness, banquets, events
- Village bus for planned trips to Costco, Trader Joe’s, San Francisco culture, etc.
- HOA manages community events and Village Van
Bayview Village is

- Proposed in the hills near California State University in Hayward
- Less dependent on cars, yet convenient, healthy, attractive, safe, and affordable
- Designed for walking and transit
- Environmentally sustainable in housing, energy, water, resources and transportation
Critical Mass / Economies of Scale

- Bayview would have about 700 units and 1,800 residents, a critical mass for achieving economies of scale
- Enough people in a small area to generate sufficient demand for a Village Center, a café, a shuttle bus, short walking distances, and other features that meet or exceed suburban standards
Location
between Cal State University and downtown Hayward

Village Bus route
2.2 miles, campus to BART
The Site

- Old quarry owned by the City of Hayward, which plans to sell it to developers in 2020
- Seems likely to attract only conventional car-based development
- Is zoned for Sustainable Mixed Use supporting a project like Bayview Village
- Has 29.8 acres, of which 18.7 acres are developable
- Adjacent PG&E easement used for busway, community garden, orchard, landscaping
Living on Site

Balancing efficiency with attractiveness

- Site plan and land uses
- Village Center and view
- Parks and recreation
- Design and floor plans
The Site Plan

- Major north-south walkways for access
- Cars not allowed on walkways; moving vans, public safety and sanitation are allowed
- Car access on Overlook Ave.
- Building orientation south for solar power
- Focal point at Village Center
## Land uses the developable area

<table>
<thead>
<tr>
<th>Density of 46 units per developable acre</th>
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</thead>
<tbody>
<tr>
<td>18.7 developable acres</td>
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<tr>
<td>Right of way, parking</td>
</tr>
<tr>
<td>Building footprints</td>
</tr>
<tr>
<td>Parks</td>
</tr>
<tr>
<td>Backyards</td>
</tr>
<tr>
<td>Courtyards and frontages</td>
</tr>
<tr>
<td>Other landscaping</td>
</tr>
<tr>
<td>Total</td>
</tr>
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</table>
The Village Center
The Village Center
Village Center functions

- Busway level: resident services, ATM, mailboxes, package delivery, fireplace reading room, potential childcare center, bike repair, freight-carrying electrocart, security
- Second floor: café with bay view, multi-purpose room for fitness center, meetings and events; kitchen/coffee bar, small offices to rent or lease
- Third floor: managers’ residences, HOA office
The Village Square
Palisade Building
View up main walkway
Views from café
The café has a spectacular view.
Parks and Recreation

- **Parks in the Village:**
  - 4 small parks within developed area
  - Tot lot; Bocce court
  - Village Square

- **Trails in the Village:**
  - 238 Regional Trail comes through Bayview Village from north to south Hayward
  - Bayview Trail from Village Center to picnic area and park on north side by creek

- **Nearby:** Hidden Hills Health and Racquet Club, Cal State playing fields
Design

- Designed for **pleasant walking**; wide walkways with no traffic
- **Low rise spaciousness** despite density: 3 story buildings, 32 foot and 36 foot set backs
- 3 story and row housing optimize **building energy conservation** and **solar energy** on roofs
- **Visually appealing** landscaping and building facades
View north along main walkway
Façades
Inspired by Victorian Era

Three bedroom townhouse

Two bedroom condos in sixplex

Visual appeal using familiar and attractive design elements
**Prices (2019)**

- Below market prices for comparable units

<table>
<thead>
<tr>
<th>Estimates, subject to change</th>
<th>#</th>
<th>Size (SF)</th>
<th>Price</th>
<th>per SF</th>
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<tbody>
<tr>
<td>Studio - Condo</td>
<td>6</td>
<td>480</td>
<td>$157,200</td>
<td>$328</td>
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<tr>
<td>One Bedroom - Condo</td>
<td>26</td>
<td>576</td>
<td>$187,200</td>
<td>$325</td>
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<tr>
<td>Two Bedroom One Bath - Condo</td>
<td>156</td>
<td>896</td>
<td>$283,700</td>
<td>$317</td>
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<tr>
<td>Two Bedroom Two Bath - Condo</td>
<td>180</td>
<td>960</td>
<td>$302,400</td>
<td>$315</td>
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<tr>
<td>Three Bedroom - Townhouse</td>
<td>185</td>
<td>1536</td>
<td>$460,800</td>
<td>$300</td>
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<td>Four Bedroom - Townhouse</td>
<td>88</td>
<td>1728</td>
<td>$509,800</td>
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<tr>
<td>Five Bedroom - Townhouse</td>
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<td>2112</td>
<td>$601,900</td>
<td>$285</td>
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<tr>
<td>total</td>
<td>702</td>
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</table>
City of Hayward Inclusionary Housing Ordinance requires 15% must be affordable to moderate income households. In fact, all of Bayview units are affordable.

<table>
<thead>
<tr>
<th>Unit</th>
<th>HOA fees</th>
<th>Taxes</th>
<th>Insurance</th>
<th>Amortization</th>
<th>Total</th>
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<tbody>
<tr>
<td>studio</td>
<td>$238</td>
<td>$212</td>
<td>$47</td>
<td>$ 635</td>
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<tr>
<td>one bedroom</td>
<td>$241</td>
<td>$254</td>
<td>$49</td>
<td>$ 757</td>
<td>$ 1,301</td>
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<tr>
<td>two bdrm 1 bath</td>
<td>$186</td>
<td>$391</td>
<td>$52</td>
<td>$ 1,147</td>
<td>$ 1,775</td>
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<tr>
<td>two bdrm 2 bath</td>
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<td>$417</td>
<td>$55</td>
<td>$ 1,222</td>
<td>$ 1,881</td>
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<td>three bedroom</td>
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<td>$641</td>
<td>$57</td>
<td>$ 1,862</td>
<td>$ 2,777</td>
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<tr>
<td>four bedroom</td>
<td>$226</td>
<td>$710</td>
<td>$60</td>
<td>$ 2,060</td>
<td>$ 3,057</td>
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<tr>
<td>five bedroom</td>
<td>$242</td>
<td>$840</td>
<td>$64</td>
<td>$ 2,433</td>
<td>$ 3,579</td>
</tr>
</tbody>
</table>

30 year mortgage with 10% down and 3.5% interest
Studio and One Bedrooms in Palisade Building with main entrance on Busway

Studio, 20x24, 440 sf

One bedroom, 24'x24', 523 sf
Two Bedroom two bath in a Sixplex

Two bedroom two bath flat in sixplex, 30x32, 859 gross sf
Three Bedroom Townhouse with flex space
living and dining on second floor
4 Bedroom Townhouse

living dining on first floor

Five Bedroom Townhouse is bigger but similar
Transportation

- On-site mobility
- Off-site mobility
- Cars where they work well
On-site mobility

- The land use plan supports walking for trips usually done by car, such as shopping and recreation.
- Walking distances are short and convenient:
  - the maximum walk time from the most distant unit to Village Center is five minutes
- Many needs are met on-site by the café, Village Center, parks, and trails.
Off-site mobility: the Village Bus

- Free: Eco-pass for village residents
- Frequent: Every 10 minutes most of the day
- Fast: Downtown Hayward and BART in six minutes; Cal State in two minutes
Why the Village Bus is fast:

- It uses rapid bus concepts:
  - Diesel electric hybrid motor with batteries
  - Nimble, midsize 30 foot 20-30 person bus
  - Powerful engine for fast hill-climbing
  - Regenerative braking to recover energy
  - Guided docking at door-level bus stops
  - No-step, fast boarding from elevated stops
  - Signal preference at red lights
  - Right lane jumping ahead of cars at key intersections
- Proof of purchasing ticketing
- No on-board fare collection or ticket sales
- Drop-off directly at the BART entrance; no time lost driving or hunting for parking and walking in
- Homeowner fees support eco-pass
- Fast, frequent service increases ridership
- High ridership may support more frequent service
- Supports transit-oriented development along Mission Blvd and downtown
- Supports access to CSU
Mobility: cars

- 100 covered **carports** on Overlook Ave., leased at market rate, about $125 per month
- **Car rental and car share**, all electric and hybrid
- **Taxi vouchers** for urgent trips to poorly served places (like Kaiser and St. Rose, for health care)
- **Guaranteed ride home**: taxi/shared ride vouchers from BART when Village Bus not running
- The Homeowner Association van for group trips
- Leased **parking** nearby of-site at less cost
Energy

- Passive solar
- Active solar
- Energy efficiency
Passive Solar

- 2”x6” studs, not 2”x4”, creates space for insulation in walls
- R-26 for walls and R-50 for top ceiling exceeds California Title 24 energy conservation regulations
- Upgraded windows deflect sun
- Windows and shades optimize heat gain
- Doors and windows seal tight, tested by blower door
- Three story row houses and hallway building optimize energy conservation
Active Solar

- PVT roof array combines photovoltaic panels and thermal panels for high efficiency
- Roof mounting system and panels shed rain, reducing roofing costs
- PV panels generate electricity and a duct underneath heats air
- Mechanicals under roof solar
- Could have Energy Transfer Module (ETM), hot air heats water
- Could have hydronic space heater or heat exchanger
- Water tank has electric coil near top when needed to boost water temp
- Electronic controls help residents monitor and manage for energy savings.
- Bathroom has hydronic warm towel rack, dries towels and heats room
Energy efficiency

- High efficiency CFL and LED lighting
- Lighting controls
- Efficient light levels
- Energy Star appliances
  - refrigerator
  - clothes washer
  - clothes dryer
  - range
  - dishwasher
Building Materials, Construction

- Green buildings:
  - Sustainable lumber (certified by the Forest Stewardship Council or similar certifier)
  - Healthy paints and finishes
  - New low waste, high efficiency building techniques
  - Rain screen siding against mold
- Building efficiencies in construction of three story row housing
Water, landscaping

- Water efficiency:
  - drought-resistant, native plant landscaping
  - rainwater retention and absorption, zero runoff using large trickle-out pipes under walkways
  - greywater systems
  - water-efficient fixtures and appliances

- Reduced water use

- Less water pollution
Environmental Sustainability

- Reduced car dependency, fossil fuel use, pollution, and traffic
- Solar electrical energy achieving net zero on the grid (over a year, solar panels put as much energy onto the grid as they take off of it)
- Solar energy provides all space heating, hot water, air cleaning and air renewal, and most air cooling
Economic Benefits

- Energy independence: less dependency on oil and imports
- Reduced risks from rising energy costs
- Lower costs for housing, energy, and transportation combined
- More efficient use of land, water, resources and energy
Major Markets

- Cal State East Bay Hayward
- BART riders, downtown and corridor workers
- Work at home
- Retired, Seniors
Cal State faculty, staff and students

- Campus is only two minutes way by Village Bus
- Campus is in walking distance.
- Prices are affordable
- Bus also serves visitors
BART riders, corridor workers

- Easy access to work in the Mission Corridor and downtown Hayward
- Easy access to locations throughout the S.F. Bay Area by BART
Work at Home

- Three bedroom unit designed with a large flex space on the ground floor
- Flex space can have a kitchen, office, and other work-related improvements as an upgrade
- Flex space has a bathroom and access to patio
- Small rental offices in Village Center will be equipped for teleconferencing
- Village Center has mailing and copying services, ATM, and other support for home office
Seniors, Retired

- Home ownership free of responsibility for:
  - painting, plumbing, dry rot, repairs, termites…
  - yard duty
  - taking care of a car
- HOA fee pays for professional operation and long-term maintenance
- Good mobility if you can’t drive, shouldn’t drive, or don’t want to drive
- Take a trip with no worries about the house--lock the door and go
- Good value for funds from downsizing from a larger home
Other Market Attractions

- Buyer Choices
- Need affordability
- Families
- Environmentalists
- Health Seekers
- Disabled
- Community Seekers
- HOA services
Buyer choices

- Flexibility of interior space
  - Outside walls, front door, and plumbing core are fixed
  - Inside walls can be moved to change interior floor plan
- Buyers have some choices of outside colors and ornamentation
- Popular upgrades will be available.
- Sales agent and buyer will use a computer program for visualizing choices and pricing of upgrades
Family friendly

- Many suburbs, supposedly ideal for raising children, have dangerous streets, and kids need chauffeuring to school and activities. Car-free projects in Europe are havens for many families with children.
- Bayview Village offers a safe place for kids to play & grow up:
  - Neighborhood walkways with no traffic
  - Minibus for trips to school and after school activities
  - A fenced tot lot play area
  - Space in the Village Center usable for child care
Health Seekers

- Pedestrian design supports walking for health and weight loss without loss of convenience and mobility
- Less traffic means cleaner air, more safety, and less noise
- Fitness center, access to the Bayview Trail, the 238 Trail, and Memorial Park, Garin Park, and Dry Creek Park support an active lifestyle
- A tennis swim club is nearby by City View apartments
Mobility for The Disabled

Bayview Village is additionally designed for the “car-impaired” (people who can’t or shouldn’t drive)

- No-step entry for 692 units off hallways and elevators or on ground floor
- No curbs from the front door to the Village Center
- No-step entry onto the Village Bus
- “Universal design” for users of wheel chairs and the visually impaired
Community, Privacy, Security

- People meet face to face instead of bumper to bumper
- Social relationships increase security
- Defensible space design; long sightlines, good lighting
- HOA managers on duty most of the time and more if needed
- The Homeowner Association involves all who want to be involved, oversees managers, and manages community events and use of Homeowner Association van for school busing and Association trips, e.g., for big box shopping and cultural events in San Francisco
- Bayview is managed to assure quiet and privacy
HOA Services

The Home Owner Association Fee covers operating costs and maintenance, including:

- Landscaping
- Utilities for common use facilities
- Repainting, reroofing, and solar panel maintenance
- Fire sprinkler inspection and testing
- Insurance
- Village Center operations
- Eco-passes and taxi vouchers
- HOA Managers and security

Doing all this as a homeowner would cost much more.
Making It Happen

- Market Research
- Financial Analysis
- Risk Reduction
- Timeline
A report on the Bayview Village market and absorption rate found that Bayview’s unique vision could appeal to “green-living” celebrity endorsers, leading to “a tremendous amount of public relations articles reaching a broad range of potential buyers/renters.”
Financial Analysis

- Financial analyses on spreadsheets estimate profitably of developments under different assumptions.

- A major spreadsheet shows cash flow:
  - Time periods in columns can be months, quarters, or years
  - The rows have revenues, costs for land acquisition, entitlement, design, land improvements, government fees, building costs, consultants, selling costs, many other costs, equity and debt financing, and cash balance
Investment Cash Flow and Return

- Projects start off with costs greatly in excess of revenues, sales then gradually pay off loans, and at the end returns go to investors.
- The internal rate of return is about 21 percent over nine years; assumes low leverage; $22 million in equity.
- The pro forma has tabs for Inputs, Sales, Summary, Gross Margin Analyses, Timing, Cash Flow over 48 quarters, and 9 pages detailing specific cost categories.
- Pro forma estimates maximum debt exposure of $17 million, gross costs including interest of $257 million, and revenue of $272 million (2019)
- Needs vetting
The Hayward Area Planning Association also has financial analyses for:

- Inclusionary affordable housing
- Village Bus
- HOA dues
- Café
- Transitional HOA services and parking
Can project can sell enough units fast enough at a given price to provide an acceptable return (absorption rate)

Green projects for an untested market face an extra challenge of risk most investors and lenders don’t want

Green projects need “green, patient” investors interested in the growing market for environmental sustainability

Project may sell faster than planned.
Financing Development

Financing development is generally regulated by Rule 506 of Regulation D, administered by the Securities and Exchange Commission.

- Only qualified investors can be asked for funds and advertising for investors is not allowed.
- A solicitation for funds is called Private Placement Memorandum (PPM).
- A PPM describes the project and warns about risks.
- A PPM is usually on paper, each copy is numbered, and has the name of a specific potential investor.
PPMs protect naïve investors from being misled by shady promoters and protect developers from many claims by investors.

With lots of money involved, risk, leveraged investments, and risk of litigation, developers have to be careful to follow the rules.

This PowerPoint is not an advertisement or a solicitation; its purpose is to inform investors
Risk Reduction

- **Problem?**: Bayview may not sustain a given selling rate if the market is not deep enough.

- **Solution**: Test market with presales as regulated by the Department of Real Estate

- **Solution**: Focus groups and pioneer buyers can improve implementation and help sales.

- **Solution**: More parking and deparking incentives.

- **Solution**: Revert to a fallback plan more parking if two years of sales fall short.
Problem?: Slow absorption may delay implementing all the amenities planned

Solutions:
- Early revenues can be used for a temporary bus
- HOA can provide commissary, shopping, and delivery services
- Community activities and management can start small and increase with sales
• **Problem:** Some buyers don’t understand how Bayview would work for their trip needs

• **Solution 1:** Special market education to inform buyers about how to meet their trip needs with less car dependency

• **Solution 2:** YouTube videos to help educate buyers about how trips would work

• **Solution 3:** Buyers lease parking during learning and transition
Timeline

2016
City of Hayward secured site control from Caltrans

2019
November
City issues a Request for Proposal to developers

2020
Developer proposes a project
City approves Site plan application

2021
Entitlement Design Permits

2022
Phase 1 site improvements
Timeline continued

2023-2027
Build-out in five years, finishing in 2026.

2027
Final payout to investors
Conclusion

Bayview Village: the most environmentally sustainable community ever built in California, qualifying for LEED platinum, forging new ground in economies of scale, affordability, alternative mobility, health. good design, and community.
Additional documentation

- City: https://www.hayward-ca.gov/content/california-state-route-238-corridor-lands
- Website: www.bayviewvillage.us
- Design CAD (.dcd) drawings for site plans and floor plans
- SketchUp drawings of townhouse and sixplex condo facades and of the Village Center
- Spreadsheets on proforma, site, buildings, and affordability
- Aerial survey; geotechnical report; engineers report
- Suzan State Market Study
- Various transportation analyses

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August 2018/November 2019