



COMMUNITY ADVANCEMENT CASE STUDY

The Square Cypress Cypress, CA

Owner

Shea Properties

Management/Development Company

Shea Properties

Type of Project

Mixed-Use and Retail Center

Size

31,150 square feet retail on 13.33 acres

Architects

AO Architecture

Major Tenants

Trader Joe's, Homewood Suites by Hilton, BLK Dot Coffee, El Zarape restaurant, The Kebab Shop, and Yoga Six

Demographic

Cypress, California has a population of approximately 49,531 residents with a median household income of \$124,167. The Square Cypress is strategically positioned in the heart of this diverse suburban Orange County city, where Asian Americans comprise 37.2% of the population, followed by white residents at 31.6% and Hispanic residents at 21.9%. The development benefits from a central location with convenient access to major freeways that connect residents to the greater Los Angeles metropolitan area.

Public Sector Support

The city of Cypress facilitated The Square Cypress project through the sale of a city-owned 13.3-acre parcel to Shea Properties for \$15.25 million.

Challenges

Environmental issues, including high water table requiring mitigation strategies; community opposition to high-density development; complicated state approvals, and the COVID-19 pandemic.

The Square Cypress represents a collaboration between the city of Cypress and Shea Properties that transformed a long-vacant parking lot into a thriving mixed-use development. While there were no direct financial incentives such as tax breaks or subsidies, the city supported the project through zoning adjustments and strategic land use planning, ensuring the development conformed to city regulations and market needs. Kosmont Realty and JLL were retained for their expertise in marketing, disposition and development. Further, Shea Properties engaged in discussions with the city council and community stakeholders to shape the project's direction.

Addressing Community Needs

With only 6.77% of the population living below the poverty line, significantly lower than the national average of 12.4%, Cypress represents an affluent community seeking high-quality amenities and housing options. The project addresses the region's tight housing market conditions, where Orange County maintains a multifamily vacancy rate of just 3.9% as of the second quarter of 2024. The Square Cypress is a pedestrian-friendly mixed-use development that meets the city of Cypress's needs for housing, hospitality and retail spaces.

Key Challenges

A number of challenges needed to be addressed ahead of development. A high water table presented significant concerns for the feasibility of development, requiring additional engineering studies and mitigation strategies.

Additionally, the community was opposed to the proposed high-density nature of the project. The city council itself had initially favored a 100% retail development but



eventually came to support the mixed-use approach as the benefits became clearer. The dissolution of redevelopment in the state of California presented challenges in terms of getting approval from the State Department of Finance to ultimately market and sell the property.

The timing of the project during the COVID-19 pandemic added unforeseen challenges. The retail sector was particularly impacted, making it difficult to secure retail tenants and slowing the leasing process. Specifically, developer had to pivot from a 40,000-square-foot theater to medical office.

Innovative Design and Connectivity

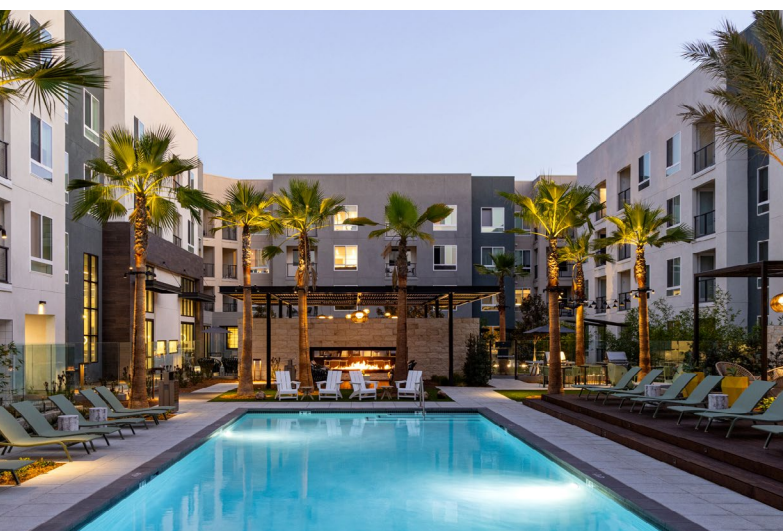
The 13.33-acre development incorporates commercial and retail use, a five-story hotel and 251 multifamily apartments positioned along Katella Avenue between Siboney Street and Winners Circle. The site design allows for fluid vehicular and pedestrian circulation, accessible from all three edges. The development features landscaped pedestrian pathways with seating areas and public gathering places, fostering community interaction and sustainable living.

The development also includes comprehensive amenities such as an indoor-outdoor social hub with a TV viewing lounge, a fully equipped café kitchen, outdoor dining areas and recreational facilities, including foosball, shuffleboard and bar tables. These features create spaces for community socialization while supporting local entrepreneurs and businesses.

Recognition and Innovation

The Square Cypress has been honored with a prestigious Housing Innovation Award from the American Planning Association California-Orange Section, recognizing the project's pioneering approach to providing housing and





delivering dynamic new amenities to the community. As Mayor Scott Minikus noted, “This award is confirmation of the city’s efforts to provide housing to support our businesses and the next generation of residents while enhancing the quality of life for those fortunate to already call Cypress home.”

Economic Impact and Community-Centered Development

The Square Cypress exemplifies how strategic public-private partnerships can create vibrant, multi-generational communities that serve both current residents and attract new investment. Despite early concerns, the project was ultimately seen as a key driver for economic growth in the area with retail, residential, hospitality and healthcare services to the community, which is estimated to generate over \$1.2 million per year in net fiscal benefits to city of Cypress.

This development demonstrates Cypress’s commitment to thoughtful growth that enhances community life while providing economic opportunities and addressing regional housing needs in one of California’s most desirable suburban markets. •