



DATE: November 15, 2016
TO: Mayor and City Council
FROM: City Manager

SUBJECT

Review of Conceptual Project Plan for Former CalTrans Route 238 Parcels in the Dixon/Valle Vista Area

RECOMMENDATION

That Council reviews this report and the presentation during the work session and provides feedback on the conceptual project plan presented by William Lyon Homes.

BACKGROUND

Developer Background and Experience

William Lyon Homes is one of the largest Western U.S. regional homebuilders. Headquartered in Newport Beach, California, the Company is primarily engaged in the design, construction, marketing, and sale of single-family detached and attached homes in California, Arizona, Nevada, Colorado, Washington, and Oregon. Its core markets include Orange County, Los Angeles, San Diego, the San Francisco Bay Area, Phoenix, Las Vegas, Denver, Seattle, and Portland. The Company has more than fifty-nine years of homebuilding operations, over which time it has sold in excess of 93,000 homes. In northern California, they have developed communities in Morgan Hill, Brentwood, Mountain View, Tracy, Antioch, Dublin, and Pittsburg. Although they do not have specific retail development experience, they will be selecting a seasoned development partner to ensure the retail elements of the project are positioned for success.

Exclusive Negotiating Rights Agreement Background

In October 2015, William Lyon Homes, Inc. approached the City about entering into an Exclusive Negotiating Rights Agreement (ENRA) regarding the potential development several Caltrans 238 Bypass excess properties in the Mission/Dixon/Valle Vista Corridor (See Attachment II). In January of 2016, the City Council authorized the City Manager to enter into the negotiated ENRA and a Purchase and Sale Agreement with Caltrans to acquire excess property in the 238 Bypass Corridor, including the properties covered by the Lyon ENRA.

City staff and William Lyon Homes representatives have been working through specific tasks outlined within the ENRA regarding due diligence, project design and approach, and technical studies identifying site constraints. The ENRA was amended twice; once to allow for

additional and more in-depth geotechnical studies on portions of the subject properties, and once to extend the time frame of the ENRA.

DISCUSSION

Purpose of the Work Session

The purpose of the work session is for Council to gain a basic understanding of what is being proposed and to provide high-level feedback to the project proponents and City staff regarding whether the proposed project concepts, particularly related to land use, meet Council's goals for the catalyst opportunity site and if the project should move forward. This is not to be considered by either Council or the proponents as any formal "approval" or "denial" of the project itself, but direction if the project should move forward in the ENRA process.

Proposed Concept Project

William Lyon Home's proposal consists of residential condominiums and a commercial center off Mission Boulevard which is connected by a park and trail spine from Valle Vista to Industrial Boulevard (See Attachment III). The entire project contains 351 residential units in either the cluster townhome or row townhome variety ranging in size from a one-bedroom/one-and-a-half bathroom, 964 square foot cluster townhome, to up to a four-bedroom/three-and-a-half bathroom, 2,105 square foot row townhome. The development reserves 884 parking spaces for the residential component with every unit including covered/attached garages.

The retail component includes a total of 21,900 square feet of retail containing two 6,700 square foot units (end units) and two 4,250 square foot units (center units). The development identifies 76 parking spaces for retail, including parking along Mission and within the plaza to the south.

One of the key project amenities is roughly 2.5 acres of parkland surrounding an existing Alameda County Flood Control channel and trail system. The park incorporates several outdoor fitness/PAR courses, along with California native garden and educational elements, a dog park, and other general open spaces and walkways.

The project is within a half mile to 8/10ths of a mile from the South Hayward BART Station.

ECONOMIC AND FISCAL IMPACT

The subject property is a sizable property along the Mission Corridor. The proposed development would incorporate multiple properties with different development types including commercial, residential, and recreational amenities for the creation of placemaking elements for South Hayward. As proposed, the development would include significant public infrastructure primarily focused on parks and open space and would provide for commercial and recreational amenities for the proposed development and surrounding neighborhood. It is anticipated that there would be a net positive economic impact given the level and quality of development along with the inclusion of commercial space. In addition, the parks and open space would provide for a larger community asset that was previously identified as a need

within the area. If the project moves forward, a more detailed economic and fiscal impact analysis would be completed.

SUSTAINABILITY FEATURES

As proposed, each residential unit within the development will include solar panels, energy star appliances, and tankless water heaters. Furthermore, the development provides for on-site storm water treatment and harvesting and will be recycled water ready. All landscaping will consist of native, bay friendly, drought tolerant trees and shrubbery.

NEXT STEPS

Should the Council determine that the project should continue to the next phase of the ENRA, staff will work with the developer for the next phase of ENRA tasks, including negotiation of a purchase and sale agreement and more formal environmental and project entitlement review. If Council does not like the direction of the project, the ENRA will be terminated and alternate development options will be presented to Council at a future meeting.

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