



DATE: October 7, 2025

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT Adopt a Resolution Vacating the Former Whitesell Street Right-of-Way (with Reservation of Utility Easements), Declaring the City-Owned Portion and Adjacent Parcel Exempt Surplus Land, Authorizing Negotiation of Disposition, and Finding the Action Exempt from CEQA Review

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) vacating the former alignment of Whitesell Street right-of-way, with reservation of easements for the existing 15-inch storm drain line and 12-inch water main across the entire corridor, pursuant to the provisions of the Streets and Highways Code pertaining to vacation of streets; and declaring the City-owned portion of the vacated right-of-way together with the adjacent City-owned parcel located northeast of Breakwater Avenue and west of the current alignment of Whitesell Street (acquired from 25500 Whitesell Street for the Whitesell Street realignment but left unused) as “Exempt Surplus Land” pursuant to the Surplus Land Act (Attachment III and Attachment IV). Additionally, authorize the City Manager to negotiate the disposition of this exempt surplus land to the adjoining property owner, and finding that declaring the property exempt surplus land and disposing of it are actions that are exempt from CEQA review.

SUMMARY

Surplus Land Act¹ requires that when cities, counties, transit agencies and other local agencies sell or lease their land for periods exceeding 15 years, they must prioritize it for affordable housing development. The land must be declared either “Surplus” or “Exempt Surplus” as supported by written findings before a local agency may take any action to dispose of it. Exempt Surplus Land does not need to be offered to affordable housing developers prior to disposition. The governing board of a local agency may adopt a resolution declaring the property to be “Exempt Surplus Land” pursuant to Section 54221(f)(1) at a regular public meeting supported by written findings that the land is of one or more of the following types:

¹ [Govt. Code Sections 54220 - 54234](#)

- Land is less than one-half acre (21,780 square feet) in area and is not contiguous to land owned by a state or local agency that is used for open space or low/moderate income housing.
- Surplus land is a former street right-of-way/easement and will be offered for merger with an adjoining property.

The subject properties (shown on Attachment IV) consist of:

- The easterly 0.32-acre half of the 0.64-acre former Whitesell Street right-of-way (shown on Attachment III), which the City owns as the adjacent property owner, subject to reservation of easements for the existing storm drain line and water main across the corridor; and
- An adjacent fee parcel 0.48 acres (shown and called out on Attachment III) located northeast of Breakwater Avenue and west of the current alignment of Whitesell Street, acquired in 2013 from 25500 Whitesell Street for the Whitesell Street realignment project but left unused.

Together, these properties total approximately 0.8 acres (shown in Attachment IV)

The properties qualify as “Exempt Surplus Land” under the Surplus Land Act because the City’s portion of the former Whitesell Street right-of-way is a former street that will be offered for acquisition to the adjacent property owner, and the 0.48 acre parcel is less than ½ acre and is not contiguous to land owned by a state or local agency that is used for open space or low/moderate income housing.

California Streets and Highways Code section 8330(a) authorizes summary vacation of a street or highway that has been superseded by relocation, as is the case here. Additionally, Streets and Highways Code section 8340 authorizes a public entity to reserve from vacation of a street or highway, easements for sanitary sewers and storm drains, and pipe, conduit and other structures for the conveyance of water.

BACKGROUND

In 2013, the City entered into a purchase and sale agreement² with Rohm and Haas Company, the then-owner of 25500 Whitesell Street, to acquire land needed for the I-880/SR-92 Reliever Route and the realignment of Whitesell Street. As part of that transaction, the City obtained a portion of the property that was not ultimately required for the new street alignment. This remnant parcel, located between Breakwater Avenue and the current alignment of Whitesell Street (approximately 0.48 acres called out and shown in in Attachment III), has remained in City ownership since completion of the realignment project.

² [Purchase and Sale Agreement](#)

The 2013 agreement between the City and Rohm and Haas contemplated use of the acquired land for transportation improvements associated with the Whitesell Street realignment, and the subject parcel remains a remnant from that acquisition.

In addition to this remnant parcel (approximately 0.48 acres), as a consequence of the 2013 transaction with Rohm and Haas, the City obtained fee ownership of the easterly half of the 0.64 acres shown on Attachment III, since the City became the adjoining owner to the east. The easterly half of the vacated right-of-way totals 0.32 acres and is shown on Attachment IV. The right-of-way was originally dedicated to the public through Tract 3213 in 1971. Together, the City-owned properties (the remnant fee parcel and the easterly half of the vacated right-of-way) will total about 0.8 acres and are shown on Attachment IV.

The adjoining property owner has expressed interest in acquiring and consolidating the City's parcel, together with the old Whitesell right-of-way, into their existing holdings. Price negotiations for the City parcel will take place if the City Council declares the property to be "Exempt Surplus Land."

The old Whitesell Street right-of-way contains existing City-owned public utilities, including a 15-inch storm drain line and a 12-inch water main, as depicted in Attachment III. These facilities are located within the right-of-way under public easement rights. Any future vacation of the right-of-way and consolidation of the land for private development will require that these utilities be appropriately relocated to the current Whitesell Street right-of-way at the developer's expense, subject to review and approval by the City.

DISCUSSION

The former Whitesell Street right-of-way is eligible for vacation because it has been superseded by the I-880/SR-92 Reliever Route project that included the realignment of Whitesell Street. The resolution of vacation will include the necessary reservations to preserve easements for existing storm drain and water lines.

The City-owned properties associated with the former Whitesell Street alignment are eligible to be declared "Exempt Surplus Land" because of the following:

- The 0.48 acre city-owned remainder parcel is eligible to be declared exempt surplus land as provided in Government Code section 54221(f)(1)(B) because it is less than one-half acre in area and is not contiguous to land owned by a state or local agency that is used for open space or low/moderate income housing.
- The portion of the former Whitesell Street right-of-way owned in fee by the City is eligible to be declared exempt surplus land as provided in Government Code section 54221(f)(1)(E) because it is a former street right-of-way or easement which will be offered to the owner of the adjoining property.

As provided in the 2024 amendments to the Surplus Land Act³, an “Exempt Surplus Land” designation means the property need not be made available for low- or moderate-income housing, and no notification is required to the California Department of Housing and Community Development (HCD) regarding its availability for that use.

ECONOMIC IMPACT

Potential merger of the City-owned parcel with the adjoining industrial property at 3832 Bay Center Place would enable the applicant to enlarge the development footprint of their proposed project. The developer has already submitted a Conceptual Development Review application that includes demolition of existing buildings and construction of a new 132,410 square foot industrial building. Incorporation of the City’s remnant parcel, together with the vacated old Whitesell Street right-of-way, into the project site will allow a more efficient site design, expanded circulation, and increased building coverage. The proposed project represents additional private investment in modernizing industrial facilities in Hayward’s Industrial Park district.

By facilitating consolidation of the remnant parcel into the planned development, the City will enable a more viable project that enhances the economic vitality of the Bay Center Place area while ensuring that underutilized City-owned land is returned to productive use.

FISCAL IMPACT

If approved the City-owned parcel located between Breakwater Avenue and the current alignment of Whitesell Street together with the eastern half of the vacated old Whitesell Street right-of-way would be offered to the adjoining property owner at 3832 Bay Center Place for a negotiated price. Sale of this Exempt Surplus property will generate one-time revenue to the City’s General Fund that can be used to support local programs and services.

The fair market value of the parcel will be established by an independent property appraiser retained by the Director of Public Works. This appraised value will guide the City-retained real estate professional in negotiating the sale price with the adjoining property owner.

A larger consolidated parcel will support higher-value improvements, expand the City’s property tax base, and generate increased development impact fees and utility connection revenues. Once operational, the new building will attract businesses that contribute to employment opportunities, sales tax revenues, and broader economic activity within the City.

Any required relocation of existing City-owned utilities from the old Whitesell Street right-of-way will be the responsibility of the developer and will not create a fiscal impact on the City.

³ [CA AB480](#)

STRATEGIC ROADMAP

This agenda item supports the City's FY 2025⁴ Strategic Roadmap priorities to Grow the Economy and Invest in City-Owned Property. The Roadmap emphasizes that "Hayward attracts new, higher-paying jobs, allowing existing and new residents to live and work in the same community" and calls for investment in City-owned facilities and property. Declaring the parcel as Exempt Surplus Land and enabling its disposition to the adjoining developer aligns with these goals by returning underutilized public land to productive use, strengthening the local tax base, and supporting economic growth.

SUSTAINABILITY FEATURES

There are no Sustainability Features associated with this item.

CEQA COMPLIANCE

The vacation of the right of way, designation of the vacated street right-of-way and 0.48 remainder parcel as exempt surplus land, and contemplated disposition of the surplus land does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15060(c)(3) because it is not a project as defined by the CEQA Guidelines Section 15378.

NEXT STEPS

If Council approves, staff will proceed with the appraisal and negotiations for the sale of the City-owned properties (the remnant fee parcel and the easterly half of the vacated Whitesell Street right-of-way) to the adjoining property owner at 3832 Bay Center Place with the following conditions:

1. The City will negotiate with the owner of 3832 Bay Center Place regarding disposition of the City-owned properties (Attachment IV). Any sale will be contingent on mutually acceptable terms, including but not limited to addressing relocation of existing City-owned storm drain and water utilities that are located within the old Whitesell Street right-of-way. If negotiations do not result in acceptable terms, the City will retain ownership of the parcel.
2. As part of the vacation action, the City will reserve easements across the entire corridor for existing utilities. Relocation of these facilities will be at the developer's expense subject to City review and approval.

⁴ [FY2025 Strategic Roadmap](#)

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Approved by:



Jayanti Addleman, Interim City Manager