

HAYWARD CITY COUNCIL

RESOLUTION NO. 25-____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTATE AND EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT WITH BAY AREA COMMUNITY SERVICES FOR THE TRANSFER OF TWO PARCELS ON DEPOT ROAD WITH APNS 439-0070-006-01 AND 439-0070-006-02; AND FINDING THAT THE ACTION IS EXEMPT FROM ENVIRONMENTAL REVIEW

WHEREAS, in 2022 and subsequently in 2025, Bay Area Community Services (BACS) received state funding to develop and operate a mental health rehabilitation center (MHRC) in Hayward to provide psychiatric and rehabilitative treatment on a 24-hour basis for people with mental health issues, drug use disorders, and related concerns; and

WHEREAS, the MHRC proposed by BACS would be a locked facility for individuals on an involuntary hold under supervision. It would be accessed by referral only with no drop-ins and all patients would be discharged with a housing plan for any unhoused patients; and

WHEREAS, since 2023, BACS and the City have been in conversations about using the existing site of the Hayward Navigation Center on Depot Road for the proposed MHRC; and

WHEREAS, the City holds fee title to the 0.73 acre parcel at 3788 Depot Road with Assessor's Parcel Number (APN) 439-0070-006-01 which is the current site of the Hayward Navigation Center, as well as a 0.24 acre parcel on Depot Road separated from the Navigation Center by Whitesell Street, with APN 439-0070-006-02, which is currently undeveloped (collectively the "Navigation Center Parcels"), see Exhibit A hereto for further particulars; and

WHEREAS, the City consulted with the California Department of Housing and Community Development (HCD) regarding compliance with the Surplus Land Act (SLA) as a pre-condition to disposition of the Hayward Navigation Center Parcels and development of the MHRC; and

WHEREAS, the City and HCD determined that the appropriate course of action was to proceed with declaring the Navigation Center Parcels as surplus pursuant to the SLA and issuing a Notice of Availability (NOA) to interested affordable housing developers; and

WHEREAS, on January 21, 2025 the City Council adopted Resolution 25-002, declaring the Navigation Center Parcels surplus pursuant to the SLA: and

WHEREAS, pursuant to the SLA the City issued an NOA regarding the Navigation Center Parcels to affordable housing developers that had registered their interest with HCD; and

WHEREAS, no responses to the NOA were received; and

WHEREAS, the City has met its obligations under the SLA with respect to the Navigation Center Parcels and may dispose of them in any manner, subject to recordation of an affordability covenant as described in Government Code section 54233 in the event ten (10) or more residential units are ever developed on the parcels; and

WHEREAS, under Government Code Section 37350 the City may purchase, lease, receive, hold, and enjoy real and personal property and control and dispose of it for the common benefit; and

WHEREAS, the City intends to transfer to BACS the fee interest in the Navigation Center Parcels for development of the MHRC, subject to the terms and conditions of a Disposition and Development Agreement (DDA); and

WHEREAS, the City has conducted the required review under the California Environmental Quality Act, California Public Resources Code §21000- §21177, as amended ("CEQA").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the above recitals are true and correct.

BE IT FURTHER RESOLVED, pursuant to Government Code section 37350, the City Council hereby finds that the disposition of the Navigation Center Parcels pursuant to the DDA is for the common benefit.

BE IT FURTHER RESOLVED, that the City Council finds the disposition and development of the Navigation Center Parcels for the MHRC is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15332 (Class 32) of the CEQA guidelines for In-fill Developments. An evaluation of the proposed project supports the conclusion that the project meets the categorical exemption criteria included in Section 15332 of CEQA as follows:

- A. The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.**

The project meets this criterion in that the project site is located within the General Industrial (IG) zoning district and Industrial Corridor (IC) land use designation within the Hayward 2040 General Plan which allows for the development of mental health rehabilitation centers with a maximum collective FAR of 0.8 across all the industrial sub-districts. The proposed project has a maximum FAR of 1.9. However, the average FAR for all projects within the industrial subdistricts since the adoption of this zoning regulation is 0.41 (See Table Below). At the time of adoption of this regulation in 2019, the average FAR was below 0.8. As such, this project will not result in collective FAR above 0.8 across the industrial subdistricts.

Furthermore, the project will be fully consistent with all applicable provisions of the Zoning Ordinance, Off-Street Parking Regulations, and Bay-Friendly Landscape Ordinance as it requires approval of a Major Site Plan Review and Variance application by the Hayward Planning Commission.

B. The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The

Application #	Approval Date	Address	Development Type	FAR
202200390	3/3/2022	3890/3989 Depot Road	Warehouse	0.48
202101456	8/27/2021	24101 Whitesell Street	Warehouse	0.29
SPR-23-0041	3/27/2025	24401 Whitesell Street	Office Building	0.03
202102725	9/22/2022	3636 Enterprise Avenue	Warehouse	0.46
201901039	2/15/2022	4150 Pt Eden Way	Warehouse	0.47
SPR-23-0043	11/14/2024	25375 Clawiter Road	Warehouse	0.52
202003917	12/9/2021	25450-25550 Clawiter Road	Warehouse	0.43
201906718	2/11/2021	25800 Clawiter Road	Warehouse	0.54
SPR-23-0036	5/22/2025	26062 Eden Landing Road	Data Center	0.76
202206056	10/20/2023	29469 Ruus Road	Warehouse	0.3
202201051	10/27/2023	1441 Industrial Pkwy	Warehouse	0.42
202104579	2/8/2022	1190 Zephyr Ave	Office Building	0.53
202200563	1/25/2023	31145-31153 San Antonio Street	Office Building	0.5
201802051	12/18/2019	31500 Hayman Street	Warehouse	0.43
202103815	3/4/2022	2429 Whipple Road	Resturant	0.11
202003389	12/2/2021	24493 Clawiter Road	Warehouse	0.36
VAR-25-0005		3788 Depot Road	Office Building	1.9
Average FAR:				0.41

project meets this criterion in that the project would be located on two adjacent parcels that total to 0.97-acres within the City of Hayward. Furthermore, the project site is substantially surrounded by urban uses with two industrial parks (Crocker-Hayward North Industrial Park and Cabot Business Park) to the north, a former automobile wrecker to the east, an automobile repair facility to the South (Chilton Auto Body Hayward), and contractor services (Golden Bay Construction and Transport Refrigeration Services & Trailer Repair) to the west.

C. The project site has no value as habitat for endangered, rare, or threatened species.

The project meets this criterion in that the project site has no value as habitat for endangered, rare or threatened species. According to the Figure 7-1, Existing Vegetation Communities of the City of Hayward General Plan Background Conditions Report (2014), the project site is identified as “developed” and “ruderal” which include properties that have been disked and previously disturbed in some manner, and/or consist of existing development dominated by human use which do not offer suitable habitat for sensitive species.

D. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

Traffic: The project meets this criterion in that the proposed project is less than the significance thresholds set by the City’s 2020 Traffic Study Guidelines and the 2018 Governor’s Office of Planning and Research (OPR) Technical Advisory on Evaluating Transportation Impacts in CEQA. The significance threshold for small projects is 110 trips per day or less. Projects that generate less than 110 trips per day generally may be assumed to cause a less-than-significant impact. Based on Institute of Transportation Engineers (ITE) Trip Generation rates, the City’s transportation staff reviewed the proposed project and determined it will result in less than 110 trips per day. In addition, the project does not result in any inconsistency with a Sustainable Communities Strategy (SCS) or the Hayward 2040 General Plan. As such, the project would not result in any significant effects related to transportation.

Noise: The project meets this criterion in that the project will be subject to the City’s existing Noise Ordinance within Chapter 4, Article 1 of Hayward Municipal Code. As such, construction noise and operational noise from this project would not exceed the City’s thresholds of 86 dBA and 70 dBA, respectively and therefore, would not result in any significant effects related to noise.

Air Quality: The project meets this criterion in that the proposed project is less than the significance thresholds set for operational-related criteria pollutant screening sizes and construction-related screening sizes as prescribed by the 2022 Bay Area Air Quality Management District (BAAQMD) CEQA Guidelines. The proposed mental health rehabilitation center use is most similar to the “Hospitals” and “Medical Office Buildings” Land Use Categories identified within the guidelines. The significance thresholds for “Hospitals” and “Medical Office Buildings” are 452,000 square feet for construction and 611,000 or 293,000 square feet for operation, respectively. The proposed development is approximately 62,000 square feet which is below these thresholds. Furthermore, the project will include best management practices, construction-related activities will not overlap operational activities, operational

activities will not include stationary engines, and the project will not include certain construction-related activities (i.e. demolition, simultaneous occurrence of two or more construction phases, extensive site preparation, extensive material transport, stationary sources). The existing Navigation Center consists of temporary structures which will not be demolished but rather transported off-site. As such, the project would not result in any significant effects related to air quality.

Water Quality: The project meets this criterion in that the project would not introduce new surface water discharges, would not substantially increase runoff volumes, result in substantial erosion or siltation, or result in flooding on- or off-site. Furthermore, the project would not alter the existing drainage pattern of the site in that it incorporates stormwater control measures pursuant to Provision C.3 of Alameda County's Municipal Regional Stormwater Permit.

E. The site can be adequately served by all required utilities and public services.

The project meets this criterion in that the project would be located in an existing urban area served by existing public utilities and services. The City of Hayward will continue to provide water, sewer, and solid waste collection services to the project site. Other services, including electricity, will also be provided to the site by existing service providers.

Furthermore, it is concluded that none of the exceptions to the applicability of a Categorical Exemption as outlined in CEQA Guidelines Section 15300.2 would apply as follows:

A. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

This criterion does not apply to this project in that there are no developments within the same place for which to create a cumulative impact. Within a one-mile radius, there are several proposed or under-construction developments including a speculative warehouse at 3890/3898 Depot Road, the City of Hayward Water Pollution Control Facility Administration Building at 24401 Whitesell Street, a speculative warehouse building at 4150 Point Eden Way, and a Data Center at 26062 Eden Landing Road. The closest listed project to the project site is approximately 0.07 miles away which does not constitute being "in the same place."

B. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

This criterion on does not apply to this project in that there are no unusual circumstances which would have a significant effect on the environment.

- C. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.**

The criterion does not apply in that there are no officially designated state scenic highways within the vicinity of the project site. The closest scenic highway is I-580 located approximately 4 miles northeast of the project site, which has been recognized as eligible for designation as a State Scenic Highway. The project will not be visible from this portion of I-580. Therefore, the project would not damage scenic resources within a highway officially designated as a state scenic highway.

- D. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.**

This criterion does not apply in that the project site is not listed on the EnviroStor environmental database, the California Department of Toxic Substances Control Hazardous Waste and Substances Sites (Cortese) List, and the State Water Resources Control Board's (SWRCB) Geotracker Database.

- E. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.**

This criterion does not apply in that the existing Navigation Center development or project site do not have any value as a historic resource. They are not listed or eligible for listing on the California Register of Historic Resources (CRHR) or the City's local historic register.

BE IT FURTHER RESOLVED, that the City Manager or designee is authorized to negotiate and execute a DDA with BACS for transfer of the Navigation Center Parcels on behalf of the City in substantial conformance to the terms outlined in the staff report, subject to such non-substantive or minor modifications or amendments as may be necessary to complete the transactions contemplated hereby, and subject further to the City Attorney's approval as to form.

BE IT FURTHER RESOLVED, that the City Manager or designee shall execute such other instruments, and take any and all other action, as may be reasonably necessary to complete the disposition of the properties, and to close escrow, as contemplated in the DDA.

BE IT FURTHER RESOLVED that the City Manager or designee is directed to cause a notice of exemption to be filed pursuant to the CEQA Guidelines, following adoption of this Resolution.

BE IT FURTHER RESOLVED that the City Council designates the City Clerk as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the office of the City Clerk, at 777 B Street, Fourth Floor, Hayward, CA 94541.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect from and after its passage.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2025

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward