



**DATE:** December 3, 2018

**TO:** Council Economic Development Committee

**FROM:** Deputy City Manager

**SUBJECT:** Review of Proposal Related to the Exclusive Negotiation Rights Agreement with The True Life Companies for a 8.75-Acre Mixed-Use Development Located Between Tennyson Road and Mission Blvd

### **RECOMMENDATION**

That the Council Economic Development Committee reviews and provides feedback on this proposed mixed-use project.

### **SUMMARY**

The City and the True Life Companies (TLC) entered into an Exclusive Negotiation Rights Agreement (ENRA) for Parcel Group 2 of the 238 Corridor Lands Project to incorporate that land with their originally proposed privately owned project located directly to the south at 29212 Mission Blvd. The proposed 190-unit mixed-use development includes a variety of housing product types including both condominiums and townhomes as well as 11,000 sf of commercial space and a 12,000-square-foot park.

### **BACKGROUND**

At their February 5, 2018 meeting, the Council Economic Development Committee completed a preliminary concept review of the True Life Companies live-work concept for 29212 Mission Blvd.

In the spring of 2018, the City issued a RFP for Parcel Group 2 of the 238 Corridor Lands Project. This vacant parcel consists of one parcel located between the Tennyson Road extension on the north, Mission Blvd. and parcels fronting on Mission Blvd on the west, and the Ersted parcel (APN: 078-461-001-13) on the east. The parcel is approximately 8.75 acres, or 381,182 gross square feet, which has been reduced by the extension of Tennyson Road at the north end of the parcel, and a storm drain easement on the west side. This parcel is directly to the north of TLC's privately owned property.

Following the issuance of the RFP and feedback from the CEDC, the City entered into an ENRA with TLC to incorporate Parcel Group 2 into their development proposal to allow for a larger mixed-use frontage along Mission Blvd, while increasing the total number of housing units from 91 units to 190 total units.

## **DISCUSSION**

The project developer is proposing a 190-unit multi-family mixed used project on a site consisting of both the City's Parcel Group 2 and TLC's privately owned site. The project site is constrained by the Hayward fault line and has a greater slope as it transitions from Mission Blvd to the East as well as toward the eastern extension of Tennyson.

The project would feature various housing product types including:

- 63 condominiums
- 115 three-story townhomes
- 12 live/work flex townhomes
- 11,000 sf commercial space

The project contemplates 10% onsite affordable housing. The live/work flex townhomes include space that allow for either commercial space or a separate dwelling unit. As described at the February CEDC meeting, these spaces will be located on the first floor and would be configured in the following ways:

1. Owner occupied, ADA accessible, fourth bedroom with a half bath;
2. Owner occupied commercial office space with ADA accessible bathroom;
3. Rental Commercial space with ADA accessible bathroom; or
4. Rental Studio apartment with accessible bathroom and kitchenette.

The condominiums would be in three 4-story mixed-use buildings that include commercial space and resident amenities on the first floor. These mixed-use buildings will be located along Mission Blvd.

The proposed development includes 44,000 sf of total common open space, including both a 12,000-square foot park and a dog park. The proposal plans for access at Mission and Valle Vista and from the eastern extension of Tennyson.

Scott Menard and Leah Beniston from TLC will be present to discuss their proposal and answer questions from the committee.

## **ECONOMIC IMPACT**

No property taxes are currently being paid on the Parcel Group 2. Resale of Parcel Group 2 will place it back on the tax rolls and provide an opportunity for new residential development needed to address the goals of the Housing Element, and possibly new local serving commercial uses.

## **FISCAL IMPACT**

Pursuant to the Purchase and Sale Agreement (PSA) with Caltrans, the confidential appraised value and acquisition price of this parcel is dependent on the type of development that ultimately is authorized as determined by reference to a tentative map. The purchase price negotiated for Parcel Group 2 will need to meet or exceed the calculated acquisition price of the parcel to ensure that no General Fund appropriation is required.

## **STRATEGIC INITIATIVES**

This agenda item would support the Complete Communities Strategic Initiative. The purpose of the Complete Communities Initiative is to create and support structured services and amenities to provide inclusive and equitable access for all with the goal of becoming a thriving and promising place to live, work and play.

This item would support the following goals and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods

- Objective 1.b. Foster a sense of place and support neighborhood pride.
- Objective 1.d. Create resilient and sustainable neighborhoods.

Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.

- Objective 2.b. Facilitate the development of diverse housing types that serve the needs of all populations.

The proposed project would be in line with the above goals and objectives as it would create new housing, potential jobs, and investment into the Mission Corridor, while adding to the resiliency and vitality of Hayward.

## **NEXT STEPS**

Following this meeting, the Applicant will make necessary revisions to their development proposal prior to submitting a formal development application.

*Prepared by:* John Stefanski, Management Analyst II

*Recommended by:* Jennifer Ott, Deputy City Manager

Approved by:



---

Kelly McAdoo, City Manager