



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**File #:** CONS 21-312, **Version:** 1

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**DATE:** June 15, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager/Development Services Director

### **SUBJECT**

Adopt a Resolution Authorizing the City Manager to Negotiate and Enter into an Amendment to Extend the Exclusive Negotiating Rights Agreement with Eden Housing Inc. and Pacific Companies (Parcel Groups 3 and 4)

### **RECOMMENDATION**

That the Council adopts the attached resolution (Attachment II) authorizing the City Manager to negotiate and enter into an amendment to extend the Exclusive Negotiating Rights Agreement (ENRA) with Eden Housing Inc. and Pacific Companies until June 30, 2022, allowing completion of entitlements and related environmental analysis and negotiation of a Disposition and Development Agreement (DDA) for former Route 238 Bypass properties, Parcel Groups 3 and 4.

### **SUMMARY**

The City of Hayward entered into a Purchase and Sale Agreement (PSA) with the California Department of Transportation (Caltrans) in January 2016 to manage the disposition and development of former right of way for the now defunct 238 Bypass. This land is divided into 10 parcel groups and must be disposed of by 2027. This report covers Parcel Groups 3 and 4.

A Request for Proposals (RFP) for developers for Parcel Groups 3 and 4 was issued in April 2018, and in July 2018, the Council provided authorization for the City Manager to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) with Eden Housing Inc. and Pacific Companies (Development Team), to develop over 150 units of affordable housing and a school distributed over 14 acres.

On May 5, 2020, the Council adopted a Resolution extending the ENRA period for another year due to unforeseen delays and significant site planning issues and the slowdown caused by the COVID-19 crisis. Following that extension, the Development Team submitted their entitlement application in May 2020. Since that date, the Development Team has resubmitted multiple times and worked diligently with City staff to revise the site plan due to fire access issues while conducting environmental analysis on the proposed project. The environmental analysis revealed significant geotechnical and slope stability issues that require expensive capital improvement work to make the project roadways stable and safe. City staff

is working with the Development Team to coordinate public and private improvements to ensure that the project remains feasible.

Given the amount of cost and effort expended thus far in analyzing and working through these issues as well as the applicant's commitment to completing project approvals, staff recommends authorizing the City Manager to enter into an amendment to extend the ENRA with the Development Team for six months to December 20, 2021, with two three-month administrative extensions at the City's sole discretion which, if exercised, would extend the ENRA to June 30, 2022.

If approved, the proposed project will add a total of 180 affordable housing units to the City's housing stock, which would help the City to meet over 23% of the Regional Housing Needs Allocation (RHNA) goal for low-income households and 4% of the RHNA goal for very low-income households. In addition, the site will be developed with The Primary School, a pre-school through elementary school that integrates education, health care, and family support services into their educational model.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution