



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 22-088, **Version:** 1

DATE: February 8, 2022

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT

Adopt a Resolution: (1) Declaring Specified City-Owned Properties Associated with the Former 238 Bypass Project Exempt Surplus Lands; and (2) Declaring Parcel Group 4 as Surplus Lands Pursuant to Government Code Section 54221

That Council adopts a resolution inclusive of Exhibit A (Attachments II and III): (1) declaring specified City-owned properties associated with the former 238 Bypass Project exempt Surplus Lands; and (2) declaring Parcel Group 4 as surplus lands pursuant to Government Code Section 54221.

SUMMARY

In the mid-1960s, the California State Department of Transportation (Caltrans) purchased more than 400 parcels of property for the construction of a 14-mile Route 238 Corridor Bypass Freeway to run through the City of Hayward (City) and parts of unincorporated Alameda County. In 1971, a lawsuit, filed in federal court on behalf of residents to be displaced by the freeway construction, blocked the project. Caltrans subsequently abandoned the freeway plan and began to individually auction off these properties with the sole purpose of disposing of the land, without any larger land use or community considerations. To ensure the productive development of this land in a manner that maximizes land value, while balancing public benefits and the desires of the surrounding neighborhood and larger community, the City entered into a Purchase and Sale Agreement with Caltrans in 2016 (2016 PSA) to manage the disposition and development of the 238 corridor properties. The 2016 PSA divides the properties into 10 parcel groups. The disposal of the 238 corridor properties to and by the City is authorized subject to conditions established by the Local Alternative Transportation Improvement Program statutes under Government Code Sections 14528.6 and 14528.65 (LATIP Statutes).

Caltrans has transferred these properties to the City in trust subject to the City managing the disposition and development of these former 238 parcel groups on behalf of and for the benefit of Caltrans with the goals of removing blight, enhancing community involvement in the development process, and creating economic and public benefits. As the City sells or transfers particular parcels, the City is obligated to repay Caltrans the negotiated purchase prices for the various parcel groups under the 2016 PSA.

Pursuant to the Surplus Lands Act, the City must declare land as either surplus or exempt surplus prior to

the disposition process. While the transfers of the 238 corridor properties are subject to the LATIP Statutes, staff also proposes a parcel group-by-parcel group approach that additionally complies with the terms of the Surplus Lands Act for the remaining City-owned 238 corridor properties, including Parcel Group 3 (excluding the portions being retained by the City for park use), as well as Parcel Groups 4, 5, 6, 8, and 9. The proposed approach has been preliminarily vetted and confirmed by the California Housing and Community Development Department (HCD), the arm of the State that oversees and enforces the Surplus Lands Act. As a result, City staff recommends that Council adopts a resolution inclusive of Exhibit A (Attachments II and III): (1) declaring specified City-owned properties associated with the former 238 Bypass Project exempt Surplus Lands; and (2) declaring Parcel Group 4 as surplus lands pursuant to Government Code Section 54221.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Exhibit A to Resolution