



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** April 19, 2022

**TO:** Mayor and City Council

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

### **SUBJECT**

Sale and Development of Parcel Group 5, Bunker Hill: Proposed Development of a New Residential Subdivision with 74 New Single-Family Homes and Eighteen Accessory Dwelling Units and Related Site Improvements Requiring: (1) Introduction of an Ordinance Approving the Zone Change to Planned Development District, as well as Adoption of a Resolution Approving the Vesting Tentative Tract Map (8637), Application No. 202003054; and (2) Adoption of a Resolution Approving the Government Code Section 52201 Summary Report for the Project, and Authorizing the City Manager to Negotiate and Execute a Disposition and Development Agreement with Trumark Properties, LLC for Transfer of Specified City Owned Properties, Consistent with Prior California Environmental Quality Act (CEQA) Determinations

### **RECOMMENDATION**

That the Council:

1. Introduces the Ordinance (Attachment II) approving the Zone Change to Planned Development District;
2. Adopts a resolution approving the Vesting Tentative Map and related environmental analysis (Attachment III); and
3. Adopts a resolution (Attachment IV) approving the Government Code Section 52201 Summary Report for the project (Attachment V) and authorizing the City Manager to negotiate and execute a Disposition and Development Agreement (DDA) with Trumark Properties, LLC for transfer of specified City-owned properties and making specified findings consistent with prior CEQA determinations.

### **SUMMARY**

After abandoning the State Route 238 Bypass Project in the 1970s, Caltrans began selling parcels that had previously been acquired for the planned freeway. In order to ensure that future development of the State Route 238 parcels located in Hayward align with the City's land use policies and overall vision, the City negotiated a Purchase and Sale Agreement (PSA) with Caltrans to assume responsibility for the sale of

some of these properties to private developers. The City-controlled State Route 238 properties are divided into ten “parcel groups.” The 37.75-acre parcel group located west of the California State University Easy Bay (CSUEB) Campus between Carlos Bee Boulevard and Harder Road, referred to as “Parcel Group 5,” is the subject of this staff report. These parcels are “exempt surplus land” in compliance with the Surplus Lands Act (SLA) consistent with Government Code Section 37364, which was confirmed in a March 1, 2022, letter from the State of California Housing and Community Development Department (HCD).

In July 2019, the Council approved the Master Development Plan for Parcel Group 5 and the issuance of a Request for Proposals (RFP) from developers for development of Parcel Group 5. The RFP process was intended to facilitate the re-sale of the parcels through a competitive process to ensure the best price and land use for the City. Two proposals were received in response to the RFP, and, in December 2019, the Council authorized the City Manager to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) with the preferred developer, Trumark Properties, based on their proposal to construct a development consistent with the Master Development Plan.

The project proposed by the selected developer and applicant, Trumark Properties, includes a Zone Change from Residential Natural Preserve District and Open Space District to Planned Development (PD) District on Parcel Group 5, the 37.75-acre former Caltrans 238 site, to allow for development of a new 74-lot residential subdivision with eighteen accessory dwelling units deed restricted for very low-income households, consistent with the adopted Parcel Group 5 Master Development Plan.

The proposed PD District would allow for flexible development standards related to lot size, setbacks, and building height to cluster the residential development on the flattest portions of the site and to retain approximately half of the most environmentally sensitive areas of the site as open space. The proposed development also includes construction of approximately 3,000 lineal feet of the Foothill Trail along the eastern project boundary and a new roadway connector that would run northeasterly from Bunker Hill Boulevard to Carlos Bee Boulevard. Portions of the Trail and the roadway connector would be located on an easement on CSUEB-owned property. On March 24, 2022, the Planning Commission recommended that the Council approve the proposed project.

The proposed project is subject to approval of a DDA for transfer of Parcel Group 5 from the City to the developer, Trumark Properties, for \$14 million, consistent with the Zone Change and Vesting Tentative Map. If the planning documents and DDA are approved, upon execution of the DDA, the City anticipates transferring the property to Trumark properties later this year and construction is projected to commence soon thereafter.

## ATTACHMENTS

Attachment I	Staff Report
Attachment II	Ordinance
Attachment III	Resolution - Zone Change, Vesting Tentative Map & CEQA
Attachment IV	Resolution - Section 52201 Summary Report & DDA
Attachment V	Government Code Section 52201 Summary Report
Attachment VI	Tentative Tract Map Plans
Attachment VII	Planned Development Plans
Attachment VIII	Architectural Plans

Attachment IX	Landscape Plans
Attachment X	Alternative Affordable Housing Plan
Attachment XI	Parcel Group 5 Master Development Plan Addendum
Attachment XII	CEQA Addendum Memo Prepared by LSA
Attachment XIII	Local Transportation Impact Analysis Prepared by Kittelson & Associates
Attachment XIV	Technical Memo on the Proposed Bunker Hill/Carlos Bee Connector Prepared by Kittelson & Associates
Attachment XV	Riparian Corridors Limits of Grading Section Drawings
Attachment XVI	March 24, 2022 Planning Commission Minutes